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ABSTRACT

This report summarizes California Education Code Section 84362, which obligates each community college district in the state to annually expend 50% of its current expense of education for the salaries of classroom instructors, and explains the regulations used by the Board of Governors of the California Community Colleges to implement this statute. After defining the concepts, "current expense of education" and "salaries of classroom instructors," the report describes the three-year cycle under which the 50% Law is implemented and the sequence of events which occur during this period. The last three sections of the report examine bases for exemption, plans for compliance with the statute, and the process for determining the comparability of community college districts in terms of average daily attendance (ADA), current expense of education, ratio of state and local income to ADA, ratio of weekly student contact hours to faculty full-time equivalents, median salary paid, ratio of maintenance of operation of plant cost to ADA, ratio of part-time certificated instructional staff to full-time certificated instructional staff, ratio of part-time weekly faculty contact hours to full-time weekly faculty contact hours, ratio of part-time to full-time students, ratio of total student enrollment to ADA, and average class size. The report is appended by analyses of eight district applications for exemption from the requirements of the 50% Law. (AYC)

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ED206333

DISTRICTS' REQUEST FOR EXEMPTION TO FIFTY PERCENT LAW FOR 1979-80 FISCAL YEAR

Agenda Item 3

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Board of Governors of the
California Community Colleges
April 30 - May 1, 1981

JC 810 244

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Board of Governors of the
California Community Colleges
April 30-May 1, 1981

Item 3

Title: Districts' Request for Exemption to Fifty Percent Law for 1979-80 Fiscal Year

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Summary

This item summarizes Education Code Section 84362 and the Board's regulations implementing that statute. The item then presents for the Board's consideration eight applications for exemption from the requirements of Education Code Section 84362.

At its April 10 meeting, the Budget and Finance Committee voted to present staff recommendations to the Board for approval.

Budget and Finance Committee Recommendation

It is recommended that the Board approve the action recommended for each application for exemption.

Introduction

Education Code 84362, commonly known as the 50% Law, requires each community college district to annually expend 50% of its "current expense of education" for "salaries of classroom instructors." District compliance with provisions of this law is determined by the Chancellor based on information submitted by the districts at the end of each fiscal year. Districts which have failed to meet the 50% requirements may apply to the Board of Governors for exemption if application of the law would result in "undue hardship" to the district or in payment of salaries of classroom instructors in excess of those paid by other districts of "comparable type and functioning under comparable conditions."

The statute and Title 5 regulations (Sections 59200-59206) prescribe a procedure to be used by community college districts when applying for exemption to the 50% Law. The procedure requires that the matter be fully considered by the district's governing board in an attempt to encourage the resolution of the matter at the local level. The procedure requires the governing board to consider the report of the district's independent auditor and to give the faculty organizations and any other interested parties a reasonable opportunity to be heard. If the governing board decides to apply for exemption, it must provide a copy of its application to the appropriate certificated employee organization, which may then respond to the district's application. Chancellor's Office staff considers the faculty response, the independent auditor's report, and other fiscal data in analyzing the district's application and recommends appropriate action to the Board of Governors.

The Law

The 50% Law (ECS 84362) requires each community college district to spend each fiscal year 50% of its "current expense of education" for payment of "salaries of classroom instructors." These two concepts are defined:

> For purposes of this section:
>
> (a) "Salaries of classroom instructors" and "instructor" shall have the same meanings as prescribed by Section 84031 provided, however, that the cost of all health and welfare benefits provided to the instructors by the community college district shall be included within the meaning of salaries of classroom instructors.
> (b) "Current expense of education" means the gross total expended (not reduced by estimated income or estimated federal and state apportionments) for the purposes classified in the final budget of a district (except one which, during the preceding fiscal year, had less than 101 units of average daily attendance) submitted to and approved by the county superintendent of schools pursuant to Section 85023 for certificated salaries other than certificated salaries for student transportation, food services, and community services; classified salaries other than classified salaries for student transportation, food services, and community services; employee benefits

other than employee benefits for student transportation personnel, food services personnel, and community services personnel; books, supplies, and equipment replacement other than for student transportation and food services; and community services, contracted services, and other operating expenses other than for student transportation, food services, and community services. "Current expense of education," for purposes of this section shall not include those expenditures classified as sites, buildings, books, and media and new equipment (object of expenditure 6000 of the Accounting Manual for California Community Colleges), the amount expended from categorical aid received from the federal or state government which funds were granted for expenditures in a program not incurring any instructor salary expenditures or requiring disbursement of the funds without regard to the requirements of this section, or expenditures for facility acquisition and construction; and shall not include the amount expended pursuant to any lease agreement for plant and equipment or the amount expended from funds received from the federal government pursuant to the "Economic Opportunity Act of 1964" or any extension of such act of Congress or the amount expended by a community college from state or federal funds received by the community college for grants to community college students or for the employment of community college students.

In addition, the Law and Title 5 regulations specify procedures to be followed by the Board of Governors and the Chancellor's Office in administering the Law.

The complete statute and Title 5 regulations are presented in Appendices A and B for the Board's convenience.

Administering the Law

It is imperative to understand that the 50% Law "cycle" encompasses a span of three fiscal years:

1. Fiscal Year #1 in which the deficiency occurred (1979-80 for purposes of this item).

2. Fiscal Year #2 during which staff evaluation of applications for exemption and Board decisions occur (1980-81).

3. Fiscal Year #3 in which effects of Board decisions occur (1981-82).

In addition, any part of the deficiency in Fiscal Year #1 not exempted is to be added to the amount to be expended in Fiscal Year #3. If the district fails to expend the 50% requirement plus the nonexempted deficiency of Fiscal Year #1 in Fiscal Year #3, the amount by which it missed this new requirement becomes that year's deficiency. Illustrative of this situation is the deficiency reported in this item for the Barstow District (Exhibit 1). The district expended more than 50% of its CEE in 1979-80, but a nonexempted deficiency dating back to the 1977-78 fiscal year caused the district to have a "deficiency" in 1979-80.

The sequence of events prescribed by Education Code 84362 and clarified by regulations adopted by the Board of Governors is as follows:

1. District determines compliance with law after conclusion of fiscal year.

2. District may file an application for exemption

   If the governing board of a district believes that the application of the provisions of E.C. 84362 results in serious hardship to the district or in payment of excessive instructors' salaries, it may, with the written approval of the county superintendent of schools having jurisdiction over the district, apply to the Board of Governors not later than September 15th of the succeeding fiscal year for an exemption.

3. District must provide a copy of application to faculty representative

   Immediately upon applying for such exemption, the governing board shall provide the exclusive representative of the district's certificated employees or, if none exists, the district or college academic senate, and all certificated employee organizations eligible for payroll dues deduction, with a copy of such application.

4. Faculty representative may file written statement of opposition

   The faculty representative, within 30 days of its receipt of such application, may transmit to the Board of Governors a written statement opposing such application, setting forth reasons for its opposition.

5. District receives audit report

   The governing board of the district applying for exemption shall receive the audit report pursuant to Education Code Section 84040.

6. District holds public hearing

   The governing board shall, after receipt of the audit report and not later than February 1 of the succeeding fiscal year, which date may be extended for two weeks by the Chancellor in writing, hold a public hearing to determine the basis for the district's application for exemption. This public hearing shall be held during a meeting of the district governing board and shall be noticed as a separate item on the agenda for the meeting as required by Education Code Section 72121 except that the notice required must be given at least 10 days prior to the meeting. The governing board shall consider the findings of the audit report submitted pursuant to Education Code Section 84040 and shall give a reasonable opportunity to be heard to interested parties. The governing board shall then determine whether expenditure of the required amount would have resulted in serious hardship to the district or in the payment of salaries of classroom instructors in excess of the salaries of classroom instructors paid by-other district of comparable type and functioning under comparable conditions.

7. Faculty representative may file additional statement

Within two weeks of the public hearing or by the date the district is required to transmit its findings to the Chancellor, whichever is later, the certificated employee organizations may submit an additional written statement opposing the application to the Chancellor. Failure to submit this written statement precludes the faculty organization making any further argument to the Board of Governors.

8. The Chancellor's Office analyzes each district application

The Chancellor verifies whether a district has expended the required amount for salaries of classroom instructors during the preceding fiscal year (from data submitted on the CCFS-311).

Each application for exemption is analyzed together with statements from concerned parties and with results of the annual audit report.

The Chancellor makes recommendations to the Board of Governors concerning all districts that have failed to meet the requirements of law.

9. Board of Governors reviews Chancellor's recommendations and takes appropriate action

Upon receipt of an appropriately completed application (CCFS-350) (see Appendix C), the Chancellor grants the district an automatic exemption for any amount that is less than one thousand dollars ($1,000). If the amount is a thousand dollars ($1,000) or greater, an exemption may be granted in writing by the Board to the extent deemed appropriate. If an exemption is granted the designated funds shall be immediately available for expenditure by the district. If no application for exemption is filed or exemption is denied, the Chancellor shall order the designated amount or amount not exempted to be added to the amounts to be expended for salaries of classroom instructors during the next fiscal year. This would occur in the second year after the one in which the deficiency took place (in this case 1981-82).

Provisions of the 50% Law require that exemptions to the 50% Law requirements be granted by a majority of the Board of Governors in writing.

10. Chancellor designates the amount of deficiency not exempted

The Chancellor in certifying apportionments to the district from the State School Fund after April 15 of the current fiscal year designates an amount equal to the deficiency in district expenditures in the preceding year not exempted by the Board of Governors.

11. The amount of deficiency not exempted is deposited in county treasury

Any amount so designated is deposited in the county treasury to the credit of the school district but is unavailable for expenditure by the district until the next fiscal year.

12. Board of Governors reports to the Legislature

E.C. 84363 requires that the Board "no later than the 10th calendar day of each year of the Legislature, submit to the Legislature a written report on the operation, effect, and the extent of compliance with the provisions of Section 84362 by community college districts in the state during the two most recently ended fiscal years. The report shall describe the activities of the board of governors, and the Chancellor's Office, undertaken to insure compliance with the provisions of Section 84362 and may contain recommendations for legislation pertaining to that subject." At its March meeting, the Board received and discussed the 1981 report to the Legislature.

Bases for Exemption

The Board has adopted Title 5 regulations to clarify and standardize procedures for evaluating exemption requests.

There are two bases on which districts may request exemption from the 50% Law:

a) comparability of salaries paid, and
b) serious hardship.

Assessment of comparability of salaries paid is based on the filing district's total payment of salaries (including health and welfare benefits) of classroom instructors as defined in E.C. 84031 divided by district attendance ADA in comparison to the average of the same information for comparable districts. (For explanation of determination of "comparable districts," see pages 7 and 8.) If the district applied for exemption on the basis of payment of comparable salaries and its salary rate is higher than the average of comparable districts, a recommendation to grant an exemption is made. If the salary rate per ADA is less than the average, the difference is multiplied by attendance ADA for the district and that product is recommended for denial. The difference between this amount and the amount of deficiency is recommended for exemption.

No districts filed on the basis of serious hardship. Had that occurred, serious hardship would have been determined based on the district's general fund income, expenditure, and unrestricted reserves. Serious hardship is deemed to exist when general fund expenditures exceeded income and/or where general fund unrestricted reserves would be insufficient to meet the district's local share of expenditures for the period preceding receipt of local tax revenue based on past years' expenditure patterns.

Plan for Compliance

Title 5 regulations 59206(e) requires that:

> Conditional to consideration by the Board of Governors to grant a second or more consecutive exemption shall be a plan officially

adopted by the governing board of the district specifying steps to be taken by that district to achieve compliance with Education Code Section 84362. The plan will be revised as needed or as requested by the Board of Governors.

Fiscal year 1978-79 was the first applicable year under this provision, but because of the difficulty in determining what could or should be included in the district plan, there was substantial variation in the specificity and relevance of the plans submitted. To provide more consistency and meaningful plans, the Chancellor's Office now requires the plans to include at a minimum clear and quantified goals and objectives towards meeting the 50% Law requirement. This must include a specific timetable for compliance with stated percentage increases of salaries of classroom instructors to current expense of education and statements addressing each of the factors which the Chancellor finds may have significantly contributed to the district's failure to meet the requirements of the statutes in the 1978-79 fiscal year. A list of these factors has been provided to each applicable district.

Process for Determining Comparable Districts

The process for determining comparable districts for the 1979-80 fiscal year is based on the following eleven elements:

1. Fiscal year attendance ADA

   Measure of district size in terms of average daily attendance (ADA).

2. Ratio of the current expense of education (CEE) to ADA

   Measure of dollars expended for instructional, administrative, and support activities per ADA. Excluded are expenditures for such categories as capital outlay, community services, and auxiliary activities. Basically, this is a measure of fiscal commitment to instruction.

3. Ratio of state and local income to ADA

   Relates state apportionment and local tax revenue dollars available to ADA. This is a measure of fiscal capability.

4. Ratio of weekly student contact hours to faculty full-time equivalents.

   Relates student contact hours for first census week of the fall term to full-time equivalent faculty. This is a measure of faculty workload.

5. Median salary paid

   Represents that salary paid a full-time certificated employee such that half the faculty is above and half is below and is the most

neutral measure of central tendency. This factor provides an evaluation of comparability based on salaries paid full-time faculty.

6. Ratio of maintenance and operation of plant cost to attendance ADA.

   Measures the cost per ADA for plant maintenance and operation, excluding capital outlay (i.e., utilities, building maintenance, ground maintenance, and related custodial services) and tends to distinguish relative expense of maintaining the college(s) of each district.

7. Ratio of part-time certificated instructional staff to full-time certificated instructional staff

   Measures the district's dependence on part-time faculty (traditionally lower paid) by comparing the total number of part-time certificated instructional staff to full-time certificated instructional staff (headcount).

8. Ratio of part-time weekly faculty contact hours to full-time weekly faculty contact hours

   Measures the district's dependence on part-time faculty by comparing the total number of part-time weekly faculty contact hours to full-time weekly faculty contact hours (FTE).

9. Ratio of part-time students to full-time students

   Measures the proportion of part-time to full-time students as an indicator of additional administrative costs that are student related.

10. Ratio of total student enrollment to ADA

    Measures the number of students needed to generate one ADA and again indicates the relative demand for counseling, admission and recorders, and other instructional and student support services.

11. Average class size

    A measure of the average number of students actively enrolled during fall census weeks divided by the number of course sections offered.

These 11 factors were quantified for each of the 70 community college districts (Table 1) and fed into the computer. From this point the process is best illustrated if we examine the procedure for one factor. The computer plotted each district's value for the factor on one graph, then computed the standard deviation for the graph, and assigned each district a statistical value. The factor value for each applicant district was entered into the computer which identified all districts within a specified statistical range above and below each district in question. The districts identified for each applicant district are deemed to be comparable for that factor.

DISTRICT	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1 ALLAN HANCOCK	6,343	$1,569	$1,783	442	$24,380	$190	2.169	0.914	3.049	1.525	21
2 ANTELOPE VALLEY	3,349	1,542	1,790	442	22,067	217	1.840	0.468	3.717	1.913	21
3 BARSTOW	1,083	2,641	3,484	434	28,099	449	0.529	0.120	1.787	1.498	19
4 BUTTE	4,746	1,872	2,133	469	25,884	282	2.182	0.624	2.439	1.590	17
5 CABRILLO	8,252	1,824	2,048	431	25,414	196	1.086	0.326	2.506	1.625	24
6 CERRITOS	12,891	1,626	1,769	485	29,220	238	1.534	0.478	3.326	1.654	27
7 CHAFFEY	7,416	2,209	2,391	440	25,623	*	0.837	0.271	2.214	1.723	20
8 CITRUS	5,387	1,757	1,997	521	27,362	230	1.554	0.346	2.626	1.609	22
9 COACHELLA VALLEY	3,813	2,250	2,741	294	29,293	349	2.349	1.016	3.952	1.914	16
10 COAST	30,977	1,700	2,046	502	28,063	173	2.086	0.570	4.890	2.028	27
11 COMPTON	3,858	1,723	2,891	403	25,149	233	2.171	0.775	2.002	1.508	18
12 CONTRA COSTA	18,693	1,885	2,197	512	29,384	260	1.148	0.304	2.990	1.821	26
13 EL CAMINO	13,907	1,731	2,085	574	28,874	253	0.915	0.285	3.220	1.861	27
14 FOOTHILL	21,415	1,856	2,052	474	29,040	167	1.766	0.511	3.120	1.644	21
15 FREMONT-NEWARK	4,119	2,027	2,327	326	26,069	284	2.755	0.769	3.176	1.862	18
16 GAVILAN	2,008	2,138	2,677	482	24,700	274	0.927	0.233	2.018	1.442	11
17 GLENDALE	6,740	1,542	1,866	489	26,406	150	1.935	0.601	2.445	1.735	20
18 GROSSMONT	8,720	2,216	2,338	402	25,825	273	1.397	0.370	2.347	1.676	22
19 HARTNELL	4,167	1,865	2,566	532	25,867	221	1.459	0.289	3.043	1.701	23
20 IMPERIAL	2,957	2,303	3,046	403	23,740	257	0.894	0.229	1.419	1.553	21
21 KERN	10,488	2,114	2,789	*	25,547	257	1.778	*	3.107	1.899	19
22 LAKE TAHOE	508	2,454	3,844	336	23,861	208	2.188	0.446	5.525	2.325	16
23 LASSEN	2,234	1,746	2,602	262	27,214	234	9.698	2.156	2.918	1.363	10
24 LONG BEACH	14,942	1,655	1,955	426	29,024	211	2.112	0.671	4.042	1.894	25
25 LOS ANGELES	71,104	2,139	2,667	456	29,140	303	1.096	0.273	2.708	1.817	24
26 LOS RIOS	25,522	1,699	1,937	485	28,747	182	1.010	0.271	2.184	1.582	28
27 MARIN	7,374	2,110	2,334	505	27,013	277	2.564	0.415	2.376	2.031	20
28 MENDOCINO	1,280	2,115	3,655	355	23,441	193	5.000	1.084	5.894	2.369	16
29 MERCED	5,487	1,510	1,855	479	26,639	217	2.372	0.536	2.066	1.545	20
30 MIRA COSTA	4,228	1,604	2,823	516	25,550	182	3.145	0.793	2.672	1.764	18
31 MONTEREY PENINSULA	5,082	1,631	2,019	505	27,169	189	2.125	0.498	2.616	1.561	22
32 MT. SAN ANTONIO	12,570	1,750	2,026	571	27,940	229	1.280	0.307	2.516	1.803	26
33 MT. SAN JACINTO	1,427	1,961	3,116	417	25,588	241	1.512	0.471	3.113	1.908	19
34 NAPA	4,610	1,589	1,894	573	25,143	185	1.712	0.602	2.424	1.720	17
35 NORTH ORANGE	23,814	1,624	1,990	434	29,426	212	1.596	0.472	2.479	2.342	24
36 PALOMAR	10,110	1,675	2,160	400	27,318	186	1.973	0.675	2.305	1.500	23
37 PALO VERDE	304	3,058	3,740	223	21,122	237	1.625	0.373	2.800	1.885	16
38 PASADENA	14,284	1,756	2,013	498	27,037	248	1.389	0.407	2.169	1.958	27
39 PERALTA	18,430	1,871	2,334	394	27,282	177	0.975	0.439	3.333	1.849	25
40 RANCHO SANTIAGO	13,597	1,429	2,069	458	26,140	170	2.585	0.815	4.198	1.998	26
41 REDWOODS	4,766	1,866	2,336	427	26,580	219	2.793	0.536	3.263	1.748	25
42 RIO HONDO	7,844	1,529	1,935	*	24,506	186	0.578	*	2.913	1.397	27
43 RIVERSIDE	7,965	1,668	1,956	469	26,881	203	1.750	0.450	3.336	1.818	24
44 SADDLEBACK	11,216	1,615	2,373	532	27,556	157	3.058	0.752	4.146	1.985	27
45 SAN BERNARDINO	11,086	1,631	1,934	506	25,372	226	1.886	0.359	3.022	1.602	21
46 SAN DIEGO	32,669	1,372	1,912	*	26,170	176	7.190	*	6.893	1.909	21
47 SAN FRANCISCO	27,932	1,514	1,542	422	26,808	198	1.866	0.646	1.958	2.071	26
48 SAN JOAQUIN	10,396	1,643	2,064	619	29,663	258	1.185	0.207	2.463	1.681	24
49 SAN JOSE	10,619	1,900	2,492	363	29,743	176	2.367	0.670	3.166	1.909	25
50 SAN LUIS OBISPO	3,182	1,813	2,286	532	26,938	341	1.113	0.307	1.805	1.572	22
51 SAN MATEO	16,366	1,905	2,147	441	28,555	203	1.067	0.260	2.884	1.849	24
52 SANTA BARBARA	7,948	1,425	1,776	418	26,940	157	2.471	0.696	1.570	2.124	27
53 SANTA CLARITA	1,621	2,511	2,905	451	26,690	633	2.410	0.556	3.250	2.137	22
54 SANTA MONICA	10,653	1,514	1,803	528	28,004	173	2.165	0.519	3.006	1.811	27
55 SEQUOIAS	4,824	1,787	2,452	713	26,450	201	0.157	0.077	1.576	1.484	23
56 SHASTA	8,356	1,735	2,166	458	27,880	238	2.772	0.786	2.905	1.946	25

*DISTRICT DID NOT REPORT

(1) ADA

(2) CEE / ADA

(3) INCOME / ADA

(4) WSCH / FTE

(5) MEDIAN SALARY

(6) PLANT COST / ADA

(7) PART-TIME FACULTY / FULL-TIME FACULTY

(8) PART-TIME WFCH / FULL-TIME WFCH

(9) PART-TIME STUDENTS / FULL-TIME STUDENTS

(10) ENROLLMENT / ADA

(11) AVERAGE CLASS

TABLE 1

CALIFORNIA COMMUNITY COLLEGES
FACTOR VALUES FOR ALL COMMUNITY COLLEGE DISTRICTS
50% Law--Fiscal Year 1979-80

11

CALIFORNIA COMMUNITY COLLEGES
FACTOR VALUES FOR ALL COMMUNITY COLLEGE DISTRICTS
50% LAW -- FISCAL YEAR 1979-80

	DISTRICT	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
57	SIERRA	4,869	1,981	2,267	450	26,200	217	1.543	0.308	2.249	1.716	19
58	SISKIYOU	1,545	2,109	2,739	396	27,128	296	1.362	0.264	1.467	1.170	13
59	SOLANO	5,132	1,580	1,935	535	25,916	173	1.483	0.321	2.776	1.736	23
60	SONOMA	11,665	1,423	1,947	561	27,470	110	2.861	0.891	2.938	1.672	24
61	SOUTH COUNTY	9,530	1,725	2,098	447	28,000	188	2.188	0.557	4.219	1.975	21
62	STATE CENTER	11,447	1,768	2,350	462	26,513	187	0.888	0.166	1.663	1.612	24
63	SWEETWATER	7,476	1,521	1,835	502	26,529	136	1.355	0.336	2.244	1.551	26
64	VENTURA	16,159	1,649	1,972	486	27,181	183	2.028	0.651	2.577	1.655	20
65	VICTOR VALLEY	2,155	2,015	2,818	411	24,524	327	0.771	0.277	3.409	2.115	18
66	WEST HILLS	1,263	2,967	4,038	327	27,096	477	1.761	0.386	2.615	1.823	14
67	WEST KERN	710	3,072	5,868	299	23,445	593	1.538	0.450	2.304	1.562	7
68	WEST VALLEY	11,185	1,796	2,614	519	27,625	213	1.834	0.527	3.142	1.938	24
69	YOSEMITE	9,536	2,008	2,305	533	27,787	*	1.229	0.309	2.646	1.714	21
70	YUBA	5,363	1,622	2,377	437	26,384	203	2.324	0.469	2.498	1.587	22
71	STATEWIDE	688,591	1,767	2,174	501	27,150	211	1.816	0.450	2.893	1.813	24

* DISTRICT DID NOT REPORT

NOTE: The factor columns have been numbered to correspond to the factors discussed on pages 7 and 8 of this report.

(1) ADA

(2) $\frac{\text{CEE}}{\text{ADA}}$

(3) $\frac{\text{INCOME}}{\text{ADA}}$

(4) $\frac{\text{WSCH}}{\text{FTE}}$

(5) Median Salary

(6) $\frac{\text{PLANT COST}}{\text{ADA}}$

(7) $\frac{\text{PART-TIME FACULTY}}{\text{FULL-TIME FACULTY}}$

(8) $\frac{\text{PART-TIME WFCH}}{\text{FULL-TIME WFCH}}$

(9) $\frac{\text{PART-TIME STUDENTS}}{\text{FULL-TIME STUDENTS}}$

(10) $\frac{\text{ENROLLMENT}}{\text{ADA}}$

(11) AVERAGE CLASS

This procedure was followed for all 11 factors. All districts identified as comparable to the applicant district for a significant number of factors were deemed comparable for the purpose of determining comparable salaries paid. At least eight comparable districts have been used in computations used in the exhibits.

Districts Not in Compliance

Nine community college districts did not comply with the 50% Law requirement in the 1979-80 fiscal year:

Butte	Marin
Compton	Palo Verde
Fremont-Newark	Santa Clarita
Lake Tahoe	West Kern
	West Valley

One district (Butte) did not apply for exemption. The remaining eight districts filed on the basis of comparable salaries. Butte and West Valley each failed to meet the 50% Law requirement due to a nonexempted deficiency from the 1977-78 fiscal year. Four districts (Fremont-Newark, Lake Tahoe, Santa Clarita, and West Kern) were also required to file a plan for compliance to the 50% Law.

Faculty representatives in the Compton and Marin Community College Districts have filed letters of opposition to the exemption requests.

Tables 2 and 3 provide composite statistical information on the nine districts. Staff analysis and recommendation for each district appear in the exhibits that follow.

Board of Governors Action

For the Board's consideration of the applications, we suggest the following procedure:

1. Staff will introduce the first district's application for exemption by summarizing the facts, the district's reason for applying for exemption, the faculty's response, and concluding with the Chancellor and Budget and Finance Committee's recommendation.

2. The interested faculty organization which has previously submitted a written response to the district's application will be given five minutes to address the Board.

3. The district will be given an appropriate amount of time (five minutes) to address the Board.

4. The Board will consider and adopt or not adopt the Chancellor and Committee's recommendation.

5. Each successive application will be introduced and responded to in like manner.

The abbreviated procedure for considering these items is necessitated by the time which the Board's consideration of these applications will require. The abbreviated procedure is sufficient, as these applications and the faculty's comments have previously been considered by the district governing board, the Chancellor's staff, and the Budget and Finance Committee.

California Community Colleges
Districts Not in Compliance With 50% Law (ECS 84362)
in Fiscal Year 1979-80

District	(a) Current Expense of Education	(b) 50% of CEE	(c) 1977-78 Deficiency	(d) 1979-80 Sal. Requirement (Col. b + c)	(e) 1979-80 Instructor Salaries	(f) % of Salary to CEE (Col. e ÷ a)	(g) Deficiency (Col. d - e)	(h) Basis for Exemption
Butte	$ 8,886,739	$ 4,443,370	$ 250,937	$ 4,694,307	$ 4,456,519	50.1 A	$ 237,788	N
Compton	6,638,935	3,319,468	-0-	3,319,468	3,083,628	46.4	235,840	C
Fremont-Newark	8,349,137	4,174,569	298,771	4,473,340	3,687,622	44.2	785,718	C
Lake Tahoe	1,246,653	623,327	79,383	702,710	547,953	44.0	154,757	C
Marin	15,557,553	7,778,777	327,866	8,106,643	7,498,307	48.2	608,336	C
Palo Verde	928,631	464,316	-0-	464,316	415,392	44.7	48,924	C
Santa Clarita	4,069,664	2,034,832	14,835	2,049,667	1,651,008	40.6	398,659	C
West Kern	2,181,215	1,090,608	-0-	1,090,608	993,498	45.5	97,110	C
West Valley	20,092,245	10,046,123	415,333	10,461,456	10,057,764	50.1 A	403,692	C

A Deficiency from 1977-78 Fiscal Year brought percentage below 50%
C Exemption request filed based on comparable salaries paid
N Exemption request not filed.

TABLE 2

Historical Percentage of Salaries of Classroom Instructors to Current Expense of Education

District	Percentage by Fiscal Year					
	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80
Allan Hancock	50.8	53.7	54.4	53.3	51.3	51.0
Antelope Valley	52.8	53.4	53.2	59.4	59.6	58.1
Barstow	48.0	43.2	49.1	53.6[A]	54.8	52.8
Butte	49.6	49.7	49.9	46.9	51.2	50.2[C]
Cabrillo	52.7	53.0	51.8	54.5	55.0	55.2
Cerritos	53.0	56.7	54.8	53.1	54.2	52.0
Chaffey	52.8	53.5	53.2	52.2	54.4	55.4
Citrus	54.2	54.2	53.1	51.9	53.0	52.0
Coachella Valley	54.7	58.6	53.6	52.1	52.7	55.0
Coast	51.0	50.1	48.7	49.7	51.6	51.6
Compton	42.4	46.6	47.9	49.6	52.5	46.5
Contra Costa	55.8	56.9	56.8	56.2	54.3	54.9
El Camino	55.4	54.4	53.9	53.8	55.4	52.7
Foothill	53.8	52.2	52.9	51.0	51.3	52.7
Fremont-Newark	46.8	41.2	40.9	40.0	42.0	44.2
Gavilan	54.0	52.1	50.0	50.0	50.3	50.2
Glendale	52.9	61.2	54.7	52.5	52.6	52.5
Grossmont	56.6	54.3	57.4	50.0	51.7	52.0
Hartnell	50.3	50.3	51.2	50.1	46.9	50.6
Imperial	54.4	56.0	50.5	57.9	56.8	53.9
Kern	51.9	50.8	52.4	52.1	54.0	52.3
Lake Tahoe	--	58.5	49.4	42.7	43.1	44.0
Lassen	50.7	52.6	50.9	51.8	50.1	52.0
Long Beach	58.0	58.0	55.8	55.4	54.5	54.6
Los Angeles	51.1	50.6	51.6	52.1	52.1	53.2
Los Rios	56.3	56.3	54.2	52.8	53.2	54.5
Marin	50.2	49.7	50.8	47.8	47.5[B]	48.2
Mendocino	49.8	47.4	48.2	45.5	50.1	50.8
Merced	50.1	50.9	50.4	52.2	53.7	52.0
Mira Costa	51.7	53.8	51.5	50.3	50.1	51.2
Monterey Peninsula	55.9	53.8	53.3	53.7	55.9	54.6
Mt. San Antonio	51.4	54.3	53.4	53.2	55.4	53.9
Mt. San Jacinto	60.0	60.6	56.0	58.9	52.4	55.7
Napa	56.0	55.3	55.4	54.0	53.6	52.6
North Orange	56.6	57.1	57.2	58.8	59.6	58.3
Palomar	52.1	53.5	52.4	50.9	52.5	51.4
Palo Verde	47.2	47.8	42.8	47.7	47.2	44.7
Pasadena Area	54.9	56.8	54.1	54.3	55.3	53.1
Peralta	50.6	52.7	51.2	50.1	51.0	50.1
Rancho Santiago	54.2	54.6	52.8	51.1	53.1	54.7
Redwoods	50.3	49.7	50.0	50.2	50.9	50.3
Rio Hondo	56.5	57.6	53.5	58.8	56.1	58.6
Riverside	53.8	54.0	52.5	56.8	53.8	52.8
Saddleback	52.3	52.2	51.7	50.8	51.7	52.6
San Bernardino	53.1	53.7	53.4	55.2	52.9	53.0
San Diego	51.4	52.4	54.6	51.3	51.1	50.2
San Francisco	60.6	59.1	58.3	57.3	55.8	56.9
San Joaquin Delta	55.4	58.9	53.1	54.3	58.4	54.4
San Jose	48.4	45.6	44.7	49.5	55.2	53.9
San Luis Obispo	49.4	50.3	50.1	50.8	50.4	51.5
San Mateo	53.9	54.0	52.8	52.9	52.6	51.8
Santa Barbara	55.0	56.7	58.0	56.9	56.5	56.5
Santa Clarita	38.1	36.1	37.7	37.3	45.4	40.6
Santa Monica	51.2	51.5	50.5	50.3	51.0	51.7
Sequoias	57.9	57.6	52.3	50.0	52.9	50.9
Shasta-Te-Tr	49.7	50.2	50.4	52.5	54.4	51.8
Sierra	50.5	50.0	51.8	54.5	50.2	52.6
Siskiyou	54.0	51.2	65.5	54.6	50.9	50.4
Solano	51.1	50.9	51.5	51.3	56.1	56.0
Sonoma	50.9	52.2	53.6	55.3	56.0	55.4
South County	55.1	53.1	51.7	51.7	52.3	52.0
State Center	56.2	51.4	49.3	51.9	51.8	51.2
Sweetwater	56.4	56.0	56.3	56.5	54.8	55.8
Ventura	52.6	50.0	46.8	50.1	52.3	54.8
Victor Valley	55.3	57.9	57.3	57.5	54.9	51.6
West Hills	52.3	51.4	51.9	51.1	49.9	50.1
West Kern	47.2	45.1	45.9	44.5	42.8	45.6
West Valley	48.7	49.8	49.5	47.8	51.0	50.1[C]
Yosemite	50.7	50.1	52.2	52.6	50.2	52.3
Yuba	55.7	57.1	53.8	52.6	54.6	52.1
Statewide	53.1	53.1	52.6	52.5	53.0	53.0

A Deficiency in FY 1975-76 brought percentage below Amount Required to be Expended
B Deficiency in FY 1976-77 brought percentage below Amount Required to be Expended
C Deficiency in FY 1977-78 brought percentage below Amount Required to be Expended

SW 1/5/81

Exhibit 1

CALIFORNIA COMMUNITY COLLEGES
ANALYSIS OF APPLICATION FOR EXEMPTION TO ECS 84362
FOR FISCAL YEAR 1979-80

A. DISTRICT: Butte

B. DATA:

1.	Current Expense of Education (CEE)	$ 8,886,739
2.	50% of CEE	$ 4,443,370
3.	Carry over of 1977-78 deficiency not exempted	250,937
4.	Subtotal of (2+3)	$ 4,694,307
5.	Amount expended for Salaries of Instructors 1979-80	4,456,519
6.	Total 1979-80 deficiency (4-5)	$ 237,788

C. Basis for exemption requested by district: N/A

D. Discussion:

Although Butte Community College District expended 50.1% of its 1979-80 Current Expense of Education for salaries of classroom instructors, the district incurred a deficiency of $237,788 due to the carry-over of a nonexempted deficiency of $250,937 from the 1977-78 fiscal year.

Butte Community College District did not file an application for exemption.

E. Action to be taken:

The Chancellor will direct $237,788 be withheld from apportionments made after April 15, 1981, to Butte Community College District and the amount be designated for use in the 1981-82 fiscal year as required by Education Code Section 84362.

Exhibit 2

Analysis of Application for Exemption to ECS 84362
for Fiscal Year 1979-80

A. District: Compton

B. Data:

1.	Current Expense of Education (CEE)	$ 6,638,935
2.	50% of CEE	$ 3,319,468
3.	Carry-over of 1977-78 deficiency not exempted	-0-
4.	Subtotal (2+3)	$ 3,319,468
5.	Amount expended for Salaries of Instructors 1979-80	3,083,628
6.	Total 1979-80 deficiency (4-5)	$ 235,840

C. Basis for exemption requested by district: Comparable Salaries

D. Discussion:

Although the Compton Community College District has been having problems with the 50% Law since the 1969-70 fiscal year, the district had been steadily increasing its ratio of salaries of classroom instructors to the current expense of education from 42.4% in fiscal year 1974-75 to a peak of 52.5% in 1978-79. However, in fiscal year 1979-80 the district's percentage dropped to 46.5% resulting in a $235,840 deficiency.

The district has filed an exemption request based on payment of "Comparable Salaries".

The Compton Community College Federation of Teachers (CCCFT) has filed a statement in opposition to the district's application for exemption. The CCCFT contends the district ". . . has not at all been interested in placing instruction foremost . . ." as evidenced by the district's greater dependence on part-time instructors (134 in 1972-73 to 177 in 1979-80), the reduction of full-time faculty (101 in 1972-73 to 79 in 1979-80), and a significant increase in management personnel (11 in 1972-73 to 21 in 1979-80). However, CCCFT also states the district is now attempting to correct the deficiency in the number of full-time faculty.

The average expenditures per ADA for salaries of classroom instructors for comparable districts was $958.23 compared to $799.90 for Compton. When the difference of $158.33 is multiplied by Compton's attendance ADA of 3,855, the amount computed as needed for parity is $610,362.

E. Recommendation:

The Chancellor and Committee recommend that Compton Community College District be denied its exemption request in the amount of $235,840.

California Community Colleges
50% Law Analysis
Compton Community College District
Fiscal Year 1979-80
Comparable Salaries

District	(1) Total Salaries of Classroom Instructors Paid	(2) Attendance ADA	(3) Total Salaries Per ADA col. 1 ÷ col. 2
Compton	$ 3,083,628	3,855	$ 799.90
Comparable Districts:			
Group 1			
Allan Hancock	$ 5,074,920	6,343	$ 800.08
Mira Costa	3,471,175	4,228	821.00
Mt. San Jacinto	1,558,267	1,427	1,091.99
Napa	3,853,118	4,610	835.82
Yuba	4,533,305	5,363	845.29
Group 2			
Cabrillo	6,290,111	6,252	1,006.10
Coachella Valley	4,721,821	3,813	1,238.35
Imperial	3,671,386	2,957	1,241.59
Lassen	2,029,635	2,234	908.52
Long Beach	13,509,243	14,942	904.11
Palomar	8,697,603	10,110	860.30
San Bernardino	9,584,801	11,086	864.59
Victor Valley	2,239,653	2,155	1,039.28
Average - Comparable Districts			$ 958.23

Computation:

Average Salary Per ADA - Comparable Districts	$ 958.23
Less Salary Per ADA - Compton	799.90
Difference	$ 158.33
Multiplied by Compton ADA	X 3,855
Amount Needed for Parity	$ 610,362
Exemption Requested	$235,840

Note: Comparable districts have been identified by groups, in sequential order. The first group is the most comparable to the deficient district, the second group next comparable, etc.

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California Community Colleges
Analysis of Application for Exemption to ECS 84362
for Fiscal Year 1979-80

Exhibit 3

A. District: Fremont-Newark

B. Data:

1.	Current Expense of Education (CEE)	$ 8,349,137
2.	50% of CEE	$ 4,174,569
3.	Carry-over of 1977-78 deficiency not exempted	298,771
4.	Subtotal (2+3)	$ 4,473,340
5.	Amount expended for Salaries of Instructors 1979-80	3,687,622
6.	Total 1979-80 deficiency (4-5)	$ 785,718

C. Basis for exemption requested by district: Comparable Salaries

D. Discussion:

Fremont-Newark continues to incur problems with the 50% Law. In fiscal year 1979-80, the district expended 44.2% of its current expense of education for salaries of classroom instructors resulted in a $785,718 deficiency in 1979-80. This coupled with the nonexempted deficiency of $298,771 from the 1977-78 fiscal year.

In spite of the district's low expenditure percentage, some encouragement may be derived from the progress made by the district. The 44.2% expended for salaries of instructors is the highest percentage for Fremont-Newark since the 1974-75 fiscal year when the district expended 46.8% and represents the second consecutive increase of at least 2%.

The district has submitted a five-year plan for compliance to the 50% Law. The plan states the district will increase its percentage expended for salaries of classroom instructors by approximately 1.6% annually. This should result in compliance by the 1983-84 fiscal year. The district will continue to increase the ratio of full-time to part-time instructors as new programs are added and ADA increases. The district will also, whenever possible, divert funds from noninstructional areas whose costs are above the average for comparable districts to the instructional areas.

The United Faculty of Ohlone (UFO) has submitted a letter stating some concerns about the implementation of the plan for compliance but, has decided to give the district proposal "a chance to work". Therefore, the UFO has not opposed the district application for the 1979-80 fiscal year.

In fiscal year 1979-80, the district spent $895.27 per ADA for salaries of classroom instructors compared to $1,010.00 for its selected comparable districts. Therefore, the district needed to expend an additional $472,573 for parity.

E. Recommendation:

The Chancellor and Committee recommend that the Fremont-Newark Community College District be granted a partial exemption in the amount of $313,145 and the remainder of $472,573 be denied.

FREMONT-NEWARK COMMUNITY COLLEGE DISTRICT

Plan to Achieve Compliance With Education Code Section 84362

January 28, 1981

PREFACE

During the 1979-80 fiscal year the Fremont-Newark Community College District was unable to meet the fifty percent classroom teacher salary requirements as prescribed in Education Code Section 84362.

The Governing Board of the Fremont-Newark Community College District is concerned about the District's inability to expend the required fifty percent of the current expense of education for the purpose of classroom teachers' salaries, as required by the 50% Law. The Board has directed the District staff to formulate a plan whereby the District will be in full compliance with these expenditure requirements within a five-year period. Should fiscal circumstances change, we shall modify the plan to accommodate the changes.

Analysis and Plan

The key to the District's under expenditure in the area required by the 50% Law is the high cost associated with noninstructional salaries and fringe benefits in CIDS 6000, 6100, 6500, and 6700. In 1978-79 Fremont-Newark spent an average of $838 per ADA in noninstructional salaries and benefits in CIDS 0100-6700, compared with $510/ADA in the comparable districts identified by the Chancellor's Office.

This difference, we believe, is largely due to two factors: the inefficiencies introduced by our relatively small size, and by our location in a high cost labor market area which requires higher

salary and benefit expenditures for classified staff in order to compete successfully for personnel.

Neither of these factors is amenable to control by the District. Thus reducing costs in these noninstructional CIDS would require cutbacks beyond those already experienced because of the fiscal exigencies created by the passage of Proposition 13 and subsequent revenue patterns.

One other avenue of response to the 50% Law requirements is to increase the budget appropriations committed to instructional salaries and benefits. This will occurr as new faculty are employed to staff classes necessitated by increased enrollment. It also might be done by increasing the salaries of the existing instructional staff, by adding additional full-time faculty as new programs are approved, or by increasing the ratio of full-time to part-time instructors.

The actual increase in salaries for the existing teaching staff will be a function of the total college revenues and Board policy with respect to expending reserves. It is unlikely that the increases will out-pace those for classified staff, particularly since the Chancellor's analysis for 1978-79 showed that the District average salary for instructors was $833,20 per ADA compared to $836.92 in comparable districts; a small difference which does not suggest a mandate for larger than average increases. In any event, the increases will be subject to the collective bargaining process and could not be forecast accurately at this juncture.

The District has increased the ratio of full-time to part-time instructors. This trend can be expected to continue, subject to enrollment patterns, instructor availability, and fiscal

resources. Within the constraints imposed by the budget, new programs which are now under development will require additional full-time instructional staff.

Some gains have already been achieved in 1980-81 or are projected for the near future. The initiation of a program in Respiratory Therapy in Fall 1980 required a new full-time faculty member. An option in Word Processing, which is being planned for 1981-82, will also require at least one additional full-time teaching position. In addition, the staffing needs of several existing programs, which are experiencing strong enrollment growth, are currently under review as part of the 1981-82 budget development process. It is anticipated that additional fulltime faculty positions will be budgeted for 1981-82.

As personnel attrition occurs in administrative and support areas, funds will be diverted wherever possible into the appropriate instructional expenditures. Actual reductions in some support services will be required if revenue fails to grow at a rate commensurate with normally increasing costs, particularly these costs driven by or responsive to inflation. The District Board of Trustees has formed a budget committee which will establish policy guidelines governing budget development to ensure that we accomplish the related goals of compliance with the 50% Law, continuation of adequate support services, and maintenance of expenditures within the limits set by District revenues.

It is our plan to improve District performance with respect to 50% Law requirements by increasing the amount of current cost of education allocated to instructional salaries by approximately 1.6% per year. Since adopting this goal in 1979, actual performance

has achieved almost exactly the planned expenditures. After establishing 1978-79 as the base year, when 42% of the current expense of education was expended for classroom teachers' salaries, these expenditures were increased to the 44.17% level in 1979-80. In the 1980-81 budget, 45.02% of the current expense of education was appropriated for instructional salaries, but because of greater than anticipated enrollment, we now project that actual 1980-81 expenditures in this category will be somewhat higher.

Thus it is expected that at the end of 1980-81, the second year of the five-year plan, the District will have achieved the desired 3.2% two-year increase over the base year to an actual expenditure level of 45.2% (42% + 3.2% = 45.2%)

The annual increases in both the current cost of education and classroom teachers' salaries are displayed in Table 1.

TABLE I

DISTRICT EXPENDITURES TO COMPLY WITH THE 50% LAW

	(A) Current Expense of Education	(B) Classroom Teachers' Salaries	(B/A)
1978-79	$7,354,203	$3,088,676	42.00%
1979-80	8,349,137[1]	3,687,622[1]	44.17%
1980-81	9,107,807[2]	4,100,562[1]	45.02%[3]
1981-82	9,836,432[2]	4,603,450	46.80%
1982-83	10,623,347[2]	5,141,700	48.40%
1983-84	11,473,215[2]	5,738,608	50.00%

1. Budget appropriation
2. Projected 8% increase over previous year
3. Budgeted at 45.02% although an annual increase of 1.6% would require 45.2%. Actual expenditure expected to match the required 45.2%.

Assuming a budget growth of 8% per year for each of the next three years, the expenditures for classroom teachers' salaries will increase a total of $528,289 above the 8% level to bring instructional salaries to 50% of the current expense of education. The annual goals to achieve this figure under these assumptions are displayed in Table II.

TABLE II

INSTRUCTIONAL SALARIES ABOVE NORMAL BUDGET GROWTH (8%)

Year	Projected Expenditure for Instructional Salaries	Prior Year Expenditure for Instructional Salaries		Expenditures Required Above 8%
1981-82	$4,603,450	$4,100,562		$174,843
1982-83	5,141,700	4,603,450		169,974
1983-84	5,736,608	5,141,700		183,572
			Total	$528,369

These figures will be influenced by the actual change in the total budget each year in addition to the uncontrollable fluctuations in other costs in the budget.

The actual and projected growth in teachers' salaries and other costs over the five-year period is shown in Graph I. (attached).

SUMMARY

In summary, compliance with the 50% Law requirements will be accomplished by: (1) appropriating a greater percentage of increased revenue to instructional salaries than to noninstruc-

tional expenditures; and/or (2) divertin funds to the appropriate budget categories from those CIDS where expenditures per ADA are above the average for comparable districts. This will be done by using funds released by personnel attrition, and by reduction of support services (or by allowing these expenditures to grow at a slower rate than the increase in the overall budget), to add new teaching staff, to improve the ratio of full- to part-time instructional staff, and to implement new instructional courses and programs. Our goal is to increase the portion of the current cost of education expended for instructional salaries by an average of 1.6% per year, over a five-year period, to bring the District into full compliance with the 50% Law requirements by the 1983-84 fiscal year.

PB/kdt

1/5/81

Exhibit 3
Worksheet

California Community Colleges
50% Law Analysis
Fremont-Newark Community College District
Fiscal Year 1979-80
Comparable Salaries

District	(1) Total Salaries of Classroom Instructors Paid	(2) Attendance ADA	(3) Total Salaries Per ADA col. 1 ÷ col. 2
Fremont-Newark	$ 3,687,622	4,119	$ 895.27
Comparable Districts:			
Group 1			
San Jose(A)	$10,872,002	10,619	$ 1,023.83
Group 2			
Coachella Valley	4,721,821	3,813	1,238.35
Kern(A)	11,506,696	10,408	1,105.56
Mt. San Jacinto	1,558,267	1,427	1,091.99
Shasta	4,814,485	5,356	898.90
Group 3			
Contra Costa(A)	19,325,875	18,693	1,033.86
Mira Costa	3,471,175	4,228	821.00
Redwoods	4,470,527	4,766	938.00
Sierra	5,075,740	4,869	1,042.46
Victor Valley	2,239,653	2,155	1,039.28
Average - Selected Districts			$ 1,010.00
Average - All Comparable Districts			$ 1,023.32

Computation:	Selected Districts	All Comparable Districts
Average Salary Per ADA - Comparable Districts	$ 1,010.00	$ 1,023.32
Less Salary Per ADA - Fremont Newark	895.27	895.27
Difference	$ 114.73	$ 128.05
Multiplied by Fremont-Newark ADA	X 4,119	X 4,119
Amount Needed for Parity	$472,573	$527,438
Exemption Requested	785,718	785,718
Difference	$ 313,145	$258,280

(A) Excluded from computations for selected districts.

Note: Comparable districts have been identified by groups, in sequential order. The first group is the most comparable to the deficient district, the second group next comparable, etc.

CALIFORNIA COMMUNITY COLLEGES
Analysis of Application for Exemption to ECS 84362
for Fiscal Year 1979-80

A. District: Lake Tahoe

B. Data:

1.	Current Expense of Education (CEE)	$1,246,653
2.	50% of CEE	$ 623,327
3.	Carry-over of 1977-78 deficiency not exempted	79,383
4.	Subtotal (2 + 3)	$ 702,710
5.	Amount expended for Salaries of Instructors 1979-80	547,953
6.	Total 1979-80 deficiency (4 - 5)	$ 154,757

C. Basis for exemption requested by district: Comparable Salaries

D. Discussion:

During fiscal year 1979-80, the Lake Tahoe Community College District expended 44.0% of its current expense of education for salaries of classroom instructors. This coupled with the nonexempt deficiency of $79,383 from the 1977-78 fiscal year resulted in a deficiency of $154,757 for 1979-80.

The district has submitted a plan for reaching compliance with the 50% Law requirement. The plan addresses six elements to bring the district into compliance by fiscal year 1982-83. Some elements include raising instructional staff salaries, hiring more instructors due to increased enrollments and expansion of the educational program, conversion of part-time instructors to full-time, and the eligibility of faculty for sabbatical leaves starting in the 1981-82 fiscal year.

Analysis of comparable districts indicates Lake Tahoe needed to expend an additional $5,832 for salaries of classroom instructors in order to reach parity.

E. Recommendation:

The Chancellor and Committee recommend the Lake Tahoe Community College District receive a partial exemption in the amount of $148,925 and the remainder of $5,832 be denied.

LAKE TAHOE COMMUNITY COLLEGE DISTRICT

Plan for Reaching Compliance with 50% Law Requirement

Current regulations provide that districts requesting a second consecutive waiver from the provisions of the 50% law must submit a "plan" with the waiver application. Lake Tahoe Community College applied (and was granted) a waiver last year (1978-79). A waiver application for 1979-80, therefore, requires a "plan." The following items constitute the plans of the Lake Tahoe Community College District relative to activities which the District believes are consistent with its purposes and philosophy and which will bring the District into compliance with the current regulations.

It is obvious that these activities depend to large measure on factors beyond the control of the local district. Principal among these is availability of funding. With no funding mechanism in place for 1981-82 or thereafter, it is impossible to guarantee activities involving financial resources. Unexpected enrollment changes, unexpected enrollment shifts between academic areas, unanticipated regulations by other agencies requiring changes or limiting ability to make changes and emergency situations all are contingencies which could delay or modify the plan. By the same manner some of these unexpected type circumstances could work in a manner providing for earlier implementation of plans and thus earlier compliance.

There are six elements in the "plan." They are:

1) As enrollments continue to increase there will be a need for increased instructional staff. Basic non-instructional staff are already employed. Clerical staff, custodial staff, library staff, business office staff, etc., would not need to be increased directly with student population increases. Instructional staff will need to be increased.

   Timetable: Begin in 1980-81 and expect to continue as enrollment increases continue.

2) Convert some part-time positions to full-time positions. The college has been very watchful of initial enrollments, especially in occupational areas, that larger enrollments were not just a backlog of community need rather than continuing and ongoing needs. After five years it is believed a true picture of instructional needs is evident and it is now appropriate to consider moving to more full-time positions.

   Timetable: 1981-82 and subsequent years.

3) Maintain effort to increase faculty salaries. The college has made significant efforts each year of its existence to improve the faculty salary schedule. This effort has resulted in moving from the lowest faculty salary schedule in the state to about the mid-point.

   Timetable: 1980-81 and subsequent years.

4) Increase the rate of pay for part-time instructors. While there has been an annual increase in the full-time faculty salary schedule, there has been only one increase in the pay rate for part-time faculty since the establishment of the college. It is planned to increase the part-time rate in the future.

   Timetable: 1981-82 or subsequent years.

5) Expand services in developmental and basic skills classes. During the past several years and especially the last two years there has been a significant increase in the development of a basic skills program at the college. This program now encompasses the reading, writing and spelling areas primarily. Plans of the college are to continue the expansion of this program with specific emphasis in the mathematical skills area. This planned expansion will require additional instructional personnel.

   Timetable: 1981-82 and subsequent years.

6) Sabbatical leaves. Next year, 1981-82, as the seventh year of operation, faculty will for the first time be eligible for sabbatical leaves. The college has a policy guaranteeing one quarter sabbatical leave at full pay for each six years of full-time continuous service. Thus, beginning in 1981-82 some of the faculty are expected to be on sabbatical leave each year. As the faculty who are away are replaced, the instructional costs of the college relative to its overall costs will increase.

   Timetable: 1981-82 and subsequent years.

In 1979-80, the year for which a waiver is requested, the percentage of faculty salaries to the current expenses of education were 44% to 56%. An additional expenditure of $75,000 in faculty salaries would have been required to bring the 44% to 50%. It is estimated the elements of the above plan will have the following effect:

1) An additional $20,000 is expected to be expended in 1980-81 in faculty salaries resulting from enrollment increases with no comparable increases in support staff (27% of 1979-80 deficit).

2) Assuming one conversion per year, the increased cost is $16,000 (21% of the 1979-80 deficit).

3) The 1980-81 faculty salary increase of 10.2% was among the highest in the state as compared to 6.8% general fund increase. Faculty salaries paid gained $15,000 over general college appropriation (20% of 1979-80 deficit).

4) An 8% increase in part-time teaching rate would be $10,000 (14% of the 1979-80 deficit).

5) A portion of a full-time faculty member and additional part-time faculty totalling $10,000 (13% of 1979-80 deficit).

6) Projected sabbatical cost for 1981-82 is $15,000 (20% of 1979-80 deficit).

Approved by the Lake Tahoe Community College District Board of Trustees at their regular meeting held January 26, 1981

James W. Duke
Secretary, Board of Trustees

California Community Colleges
50% Law Analysis
Lake Tahoe Community College District
Fiscal Year 1979-80
Comparable Salaries

District	(1) Total Salaries of Classroom Instructors Paid	(2) Attendance ADA	(3) Total Salaries Per ADA col. 1 ÷ col. 2
Lake Tahoe	$ 547,953	508	$ 1,078.65
Comparable Districts:			
Group 1			
Mendocino	$ 1,375,118	1,280	$ 1,074.31
Group 2			
West Hills	1,875,494	1,263	1,484.95
Group 3			
Coachella Valley	4,721,821	3,813	1,238.35
Group 4			
Antelope Valley	3,001,973	3,349	896.38
Group 5			
Imperial	3,671,386	2,957	1,241.59
Lassen	2,029,635	2,234	908.52
Mt. San Jacinto	1,558,267	1,427	1,091.99
Napa	3,853,118	4,610	835.82
Victor Valley	2,239,653	2,155	1,039.28
Average - Comparable Districts			$ 1,090.13

Computation:

Average Salary Per ADA - Comparable Districts	$ 1,090.13
Less Salary Per ADA - Lake Tahoe	1,078.65
Difference	$ 11.48
Multiplied by Lake Tahoe ADA	X 508
Amount Needed for Parity	$ 5,832
Exemption Requested	154,757
Difference	$148,925

Note: Comparable districts have been identified by groups, in sequential order. The first group is the most comparable to the deficient district, the second group next comparable, etc.

CALIFORNIA COMMUNITY COLLEGES
ANALYSIS OF APPLICATION FOR EXEMPTION TO ECS 84362
FOR FISCAL YEAR 1979-80

A. District: Marin

B. Data:

1. Current Expense of Education (CEE)	$15,557,553
2. 50% of CEE	$ 7,778,777
3. Carry-over of 1977-78 deficiency not exempted	327,866
4. Subtotal (2+3)	$ 8,106,643
5. Amount expended for Salaries of Instructors 1979-80	7,498,307
6. Total 1979-80 deficiency (4-5)	$ 608,336

C. Basis for exemption requested by district: Comparable Salaries

D. Discussion:

Marin expended 48.2% of its current expense of education for salaries of classroom instructors. This coupled with a nonexempted deficiency of $327,866 from the 1977-78 fiscal year resulted in a $608,336 deficiency in 1979-80.

Marin has also failed to expend 50% in fiscal years 1975-76, 1977-78 and 1978-79. Of those three years, the district only filed an exemption request for the 1978-79 fiscal year. The exemption request was based on serious hardship and was denied.

This year the district is requesting an exemption based on payment of comparable salaries. Although a plan for compliance to the 50% Law is not required, the district has filed a plan for compliance which projects meeting the requirement in the 1980-81 fiscal year. The plan indicates the district has implemented an energy savings program and established a list of priorities which includes among others, reduction of classified support staff, and a realignment and more efficient coordination of some support services between the two colleges in the distr

The United Professors of Marin (UPM) has filed a letter of opposition to the district's request. The UPM contends the exemption request should be denied because:

1. The district has been denied exemption in the past and has not added the nonexempted amounts to the amounts to be expended for salaries of classroom instructors.

2. The UPM disagrees with the district's expenditure figures.

3. The district plan for compliance is vague.

4. There are no comparable districts to Marin.

Review of the salaries of classroom instructors paid per ADA by Marin and its comparable districts reveals Marin paid above-average salaries per ADA.

E. Recommendation:

The Chancellor and Committee recommend Marin Community College District be granted a full exemption in the amount of $608,336.

MARIN COMMUNITY COLLEGE DISTRICT

PLAN FOR COMPLIANCE WITH THE 50% LAW

When the Board of Trustees adopted the annual budget for Fiscal Year 1980-81, the Marin Community College District had a budgeted 50% Law calculation of 50.2%. In December 1980, the Board approved an augmentation to the budget to provide the necessary funds for opening up additional class sections in the Spring for classes with large waiting lists. As a result of this action, which was meant as a gesture to expand the credit program as required to meet the needs of the community, an improvement also occurred with regard to the budgeted 50% Law calculation. Because almost all of the augmentation will go toward instructional salaries, the 50% Law calculation for Fiscal Year 1980-81 went from 50.2% to 50.7%.

This year's budget was the result of considerable time and effort occurring in the development of a responsible, realistic, and fiscally sound budget. The Board of Trustees indicated their priorities, which included: (1) Phased-in elimination of a budgeted deficit, (2) maintenance of instruction and direct instructional services, (3) reduction of classified support personnel where possible, (4) realignment and more efficient coordination of some support services between the two Colleges, (5) expansion of mediated and computer-assisted instruction as necessary, and (6) compliance with the 50% Law (E.C. 84362).

Reviewing the status of the accomplishment of these priorities at the mid-point of Fiscal Year 1980-81 indicates immediate success in all of these objectives.

Additionally, the District has implemented an energy savings program in an effort to eliminate energy waste within the two District Colleges. Even with dramatic increases in public utility rates, the District still hopes to achieve, through energy conservation, a reduction of energy costs of 10% during Fiscal Year 1980-81.

Thus, action has been taken to eliminate deficit financing, which will produce a balanced budget and balance of quality educational programs and services for the Marin Community College District. All this is occurring in the spirit of bringing the Marin Community College District in compliance with the 50% Law requirements.

1/14/81

California Community Colleges
50% Law Analysis
Marin Community College District
Fiscal Year 1979-80
Comparable Salaries

District	(1) Total Salaries of Classroom Instructors Paid	(2) Attendance ADA	(3) Total Salaries Per ADA col. 1 ÷ col. 2
Marin	$ 7,498,307	7,374	$ 1,016.86
Comparable Districts:			
Group 1			
Yosemite	$10,007,546	9,536	$ 1,049.45
Group 2			
Grossmont	10,041,543	8,720	1,151.55
Merced	4,310,671	5,487	785.62
Monterey	4,522,792	5,082	889.96
Pasadena	13,307,355	14,284	931.63
Sierra	5,075,740	4,869	1,042.46
Yuba	4,533,305	5,363	845.29
Group 3			
Chaffey	9,080,950	7,416	1,224.51
Citrus	4,920,564	5,387	913.41
Glendale	5,457,819	6,740	809.77
Saddleback	9,531,504	11,216	849.81
South County	8,550,881	9,530	897.26
Sweetwater	6,341,567	7,476	848.26
Average - Comparable Districts			$ 941.46

Note: Comparable districts have been identified by groups, in sequential order. The first group is the most comparable to the deficient district, the second group next comparable, etc.

CALIFORNIA COMMUNITY COLLEGES
ANALYSIS OF APPLICATION FOR EXEMPTION TO ECS 84362
FOR FISCAL YEAR 1979-80

A. District: Palo Verde

B. Data:

1.	Current Expense of Education (CEE)	$ 928,631
2.	50% of CEE	$ 464,316
3.	Carry-over of 1977-78 deficiency not exempted	-0-
4.	Subtotal (2 + 3)	$ 464,316
5.	Amount expended for Salaries of Instructors 1979-80	415,392
6.	Total 1979-80 deficiency (4-5)	$ 48,924

C. Basis for exemption requested by district: Comparable Salaries

D. Discussion:

Palo Verde has consistently failed to meet the 50% requirement since fiscal year 1974-75. The district's percentage of instructors' salaries per current expense of education has been between 47.2% and 47.8% with the exception of fiscal years 1976-77 (42.8%) and 1979-80 (44.7%).

The district filed for and was denied an exemption on the basis of "serious hardship" for fiscal year 1978-79.

Palo Verde's expenditures for instructors' salaries per ADA was considerably higher than the average for its comparable districts.

E. Recommendation:

The Chancellor and Committee recommend that Palo Verde be granted an exemption in the amount of $48,924 as requested.

Exhibit 6
Worksheet

California Community Colleges
50% Law Analysis
Palo Verde Community College District
Fiscal Year 1979-80
Comparable Salaries

District	(1) Total Salaries of Classroom Instructors Paid	(2) Attendance ADA	(3) Total Salaries Per ADA col. 1 ÷ col. 2
Palo Verde	$ 415,392	304	$ 1,366.42
Comparable Districts:			
Group 1			
West Hills	$ 1,875,494	1,263	$ 1,484.95
Group 2			
Mt. San Jacinto	1,558,267	1,427	1,091.99
Group 3			
Antelope Valley	3,001,973	3,349	896.38
Group 4			
Coachella Valley	4,721,821	3,813	1,238.35
Contra Costa	19,325,875	18,693	1,033.86
Gavilan	2,157,381	2,008	1,074.39
Hartnell	3,929,047	4,167	942.90
Imperial	3,671,386	2,957	1,241.59
Lassen	2,029,635	2,234	908.52
Mendocino	1,375,118	1,280	1,074.31
Mt. San Antonio	11,857,986	12,570	943.36
Average - Comparable Districts			$ 1,084.60

Note: Comparable districts have been identified by groups, in sequential order. The first group is the most comparable to the deficient district, the second group next comparable, etc.

Exhibit 7

CALIFORNIA COMMUNITY COLLEGES
Analysis of Application for Exemption of ECS 84362
for Fiscal Year 1979-80

A. District: Santa Clarita

B. Data:

1.	Current Expense of Education (CEE)	$ 4,069,664
2.	50% of CEE	$ 2,034,832
3.	Carry-over of 1977-78 deficiency not exempted	14,835
4.	Subtotal (2 + 3)	$ 2,049,667
5.	Amount expended for Salaries of Instructors 1979-80	1,651,008
6.	Total 1979-80 deficiency (4 - 5)	$ 398,659

C. Basis for exemption requested by district: Comparable Salaries

D. Discussion:

Santa Clarita has consistently had difficulty with the 50% Law requirement. In the 1978-79 fiscal year, the district drastically increased its percentage from 37.3% in fiscal year 1977-78 to 45.4%. In 1979-80 the district's percentage dropped down to 40.6%. This coupled with the $14,835 nonexempted deficiency from the 1977-78 fiscal year resulted in a deficiency of $398,659 for 1979-80.

The district has filed the necessary exemption request based on comparable salaries and submitted the required plan for compliance to the 50% Law.

The plan calls for the district to reduce, curtail, and/or eliminate certain program and service areas by reorganizing staff to provide a more efficient operation.

The plan does not list quantifiable goals and projections.

Comparison of Santa Clarita to its comparable districts indicates Santa Clarita paid above-average salaries of classroom instructors per ADA.

E. Recommendation:

The Chancellor and Committee recommend that Santa Clarita Community College District be granted a full exemption in the amount of $398,659 conditional upon the district's submission of an acceptable plan for compliance as specified by the Chancellor by June 1, 1981.

ATTACHMENT TO REQUEST FOR EXEMPTION: PLAN

Each year since its inception, the Santa Clarita Community College District has reported an apparent deficiency in complying with the "50% law." When analyzed according to the Board of Governors standards, however, this District expends a greater amount for teacher's salaries per A.D.A. than the comparison group of districts. Despite the fact that 1979-80 expenditures for this purpose were 23.2% greater than in 1978-79, the District has reported an apparent deficiency for 1979-80.

A review of the records and documents submitted over the course of several years reveals three fundamental causes for this situation each of which relates to the fact that while the number and salaries of teaching faculty is directly related to the size of the student population, none of the remainder of significant expenditure areas has such a relationship. The causes of this condition are, we believe, as follows:

1. General Overhead

Irrespective of the number of students and, therefore, faculty, the costs of providing certain required or other necessary services will be proportionately as great in a small institution as in a large one. Such cost areas as payroll and accounting, admissions and records, insurance, utilities, administrative services and others are, essentially, fixed and bear little, if any, relationship to the size of the student body or faculty. In this case, these populations could double with little, if any, increases in expenditures for overhead.

Major efforts to reduce or otherwise control the costs of overhead have been successfully undertaken. Examples of these efforts are the District's participation in joint powers agencies to control the costs of insurances, a significant reduction of energy consumption to limit the impact of escalating energy costs and the introduction of computerized registration processes to reduce personnel costs for that purpose. In addition, during 1979-80, two administrative positions were discontinued.

2. Plant Services

When this campus was designed, it was intended to provide the capacity for approximately 5,000 FTE students, a population expected in 1976-77.

For a variety of reasons, that level of occupancy has not yet been reached and will probably not occur for several more years. The buildings and grounds, however, exist and the required care, cleaning and maintenance thereof represent a significant level of expenditures.

There has been an 18% reduction in Maintenance and Operations personnel during the last three years. Expenditures for supplies and materials have also been reduced by 23% in real dollars. Further reductions in this area would have the serious negative consequence of accelerated deterioration of the plant.

3. Support and Auxiliary Services

College of the Canyons has, since its inception, provided a high level of support and auxiliary services to students and faculty. The high ratios of counseling, instructional resource, laboratory and shop assistance personnel has been a major factor in the District's ability to meet the 50% requirement. This area represents the only significant potential for reducing "below the line" expenditures. The attached excerpt from material presented to the Board of Trustees on December 9, 1980, indicates the proposed reductions in this and other areas for 1981-82. Although specific determinations will not be made until later in the year, it is clear that a significant reduction of expenditures can be anticipated. One result will be greater compliance with the 50% law.

PROGRAM AND SERVICE AREAS TO BE REDUCED, CURTAILED AND/OR ELIMINATED

BUSINESS AND OPERATIONS

1. Fiscal Services. Reorganization of Fiscal Services staffing in such a way that expenditures are reduced.

2. Maintenance/Custodial/Grounds. Reduced services and/or production with commensurate reduction in staffing. Minimal cut in clerical.

STUDENT PERSONNEL SERVICES

1. Management. Reorganization and staffing changes to reduce student services management costs.

2. Counseling and Guidance. Reduction of counseling function to program advisement, career counseling and referrals with consideration of faculty assuming increased responsibility for program advisement.

3. Admissions and Records. Reorganization and staffing of clerical, secretarial and technical staff in such a way that expenditures are reduced.

4. Financial Aid. Consideration of reorganization of financial aid under Fiscal Services at reduced cost.

5. Athletics. Consideration of reduction in men's athletic programs and reduction in support services and some modification of women's athletic program.

6. E.O.P.S. Organization and staffing modification.

INSTRUCTION DIVISION

1. Management. Reorganization and staffing changes to reduce Instruction Division management costs.

2. Instructional Resource Center. Reduction and/or elimination of some services. Reorganization of professional, technical, and clerical staff to reduce costs and maintain minimum necessary services.

Portion of Attachment 7.4, Board of Trustees Agenda - December 9, 1980

3. Student Workers. Decrease number of student workers (all Divisions) to reduce costs.

4. Curriculum and Instruction.

   a. Transportation (Auto Mechanics). Reorganize and reduce.

   b. Recreation Technology/Leisure Studies. Curtail or eliminate.

   c. Ecology Technology/Environmental Control. Curtail or eliminate.

   d. Theatre. Consider elimination and contract for this activity through student activities.

   e. Music. Eliminate music major and choral music curriculum and combine sections. Reorganize current curriculum.

   f. Physical Education. Decrease the percentage of College resources allocated to this course of instruction by reducing the variety of courses and number of sections. Modify faculty load and/or FTE faculty ratio to conform with other colleges' practices.

   g. Mathematics. Decrease the scope and breadth of the College's Mathematic course offerings with the least effect on a high quality transfer program.

It is recommended that there be general tightening up of courses of instruction consistent with findings and suggestions of the PROGRAM REVIEW AND ANALYSIS TECHNICAL REPORT #3. These will not necessarily result in significant dollar reductions for the 1981-82 year, but will result in future cost-effectiveness without a significant reduction in quality or lowering of standards. The eventual result will be increased efficiency which will allow for long-range future savings. These are changes which would have been recommended even if there was no fiscal crisis.

GENERAL SUPPORT SERVICES

1. Information and Communication Services. Reduction in services/reallocation of responsibilities.

Exhibit 7
Worksheet

California Community Colleges
50% Law Analysis
Santa Clarita Community College District
Fiscal Year 1979-80
Comparable Salaries

District	(1) Total Salaries of Classroom Instructors Paid	(2) Attendance ADA	(3) Total Salaries Per ADA col. 1 ÷ col. 2
Santa Clarita	$ 1,651,008	1,621	$ 1,018.51
Comparable Districts:			
Group 1			
Redwoods	$ 4,470,527	4,766	$ 938.00
Group 2			
Coachella Valley	4,721,821	3,813	1,238.35
Monterey	4,522,792	5,082	889.96
South County	8,550,881	9,530	897.26
Yuba	4,533,305	5,363	845.29
Group 3			
Antelope Valley	3,001,973	3,349	896.38
Foothill (A)	20,964,672	21,415	978.97
Imperial	3,671,386	2,957	1,241.59
Merced	4,310,671	5,487	785.62
Mt. San Jacinto	1,558,267	1,427	1,091.99
Palomar	8,697,603	10,110	860.30
Rancho Santiago	10,634,380	13,597	782.11
San Francisco	24,074,114	27,932	861.88
San Luis Obispo	2,973,077	3,182	934.34
Victor Valley	2,239,653	2,155	1,039.28
West Hills	1,875,494	1,263	1,484.95
Average - Selected Districts			$ 985.82
Average - Comparable Districts			$ 985.39

(A) Excluded from computations for selected districts.

Note: Comparable districts have been identified by groups, in sequential order. The first group is the most comparable to the deficient district, the second group next comparable, etc.

CALIFORNIA COMMUNITY COLLEGES
ANALYSIS OF APPLICATION FOR EXEMPTION TO ECS 84362
FOR FISCAL YEAR 1979-80

Exhibit 8

A. District: **West Kern**

B. Data:

1. Current Expense of Education (CEE)	$ 2,181,215
2. 50% of CEE	$ 1,090,608
3. Carry-over of 1977-78 deficiency not exempted	-0-
4. Subtotal (2 + 3)	$ 1,090,608
5. Amount expended for Salaries of Instructors 1979-80	993,498
6. Total 1979-80 deficiency (4-5)	$ 97,110

C. Basis for exemption requested by district: Comparable Salaries

D. Discussion:

West Kern is another district which has had difficulty in meeting the 50% Law requirement (since 1972-73). In fiscal year 1979-80, the district expended 45.5% for salaries of classroom instructors which resulted in a deficiency of $97,110.

The district has filed the necessary exemption request based on comparable salaries and submitted the required plan for compliance. Although the district feels it will be extremely difficult, if not impossible, to raise the percentage expended for salaries of classroom instructors, a goal has been established to meet the 50% Law requirement by the 1984-85 fiscal year by reducing contracted service costs and by utilizing, to a greater extent, existing certificated noninstructional personnel as instructors.

Our analysis shows West Kern paid above-average salaries of classroom instructors per ADA compared to its comparable districts.

E. Recommendation:

The Chancellor and Committee recommend that West Kern Community College District be granted an exemption in the amount of $97,110.

WEST KERN COMMUNITY COLLEGE DISTRICT
A PLAN FOR COMPLIANCE WITH THE
50% LAW (EC 84362)

All Community College districts in California are required by Education Code 84362 to expend 50% of their "current expense of education" for "salaries of classroom instructors" as defined in the code. West Kern Community College District, like many smaller districts in the State has not met this requirement for a number of years and has requested and received exemptions for most of those years. It is now required that districts seeking a second or more consecutive exemption must provide a plan officially adopted by the governing board specifying steps to be taken to achieve compliance with EC 84362.

ANALYSIS

The "current expense of education" includes all salaries and fringe benefits, books, supplies, equipment replacement and contracted services (except for those expenses for foodservice, student transportation, and community service). It is required that 50% of this figure be expended for salaries of classroom instructors. The actual percentages for West Kern Community College District in recent years is shown below:

1974-75	47.2%
1975-76	45.1%
1976-77	45.9%
1977-78	44.5%
1978-79	42.8%
1979-80	45.1% (budgeted)

It is noted that the percentage has generally declined since 1974-75, although an increase in the percentage is budgeted for this year. This decline has occured even though the amount expended for classroom instructors has increased at an average annual rate of 18.5% over that period. The reason for this is that some other components of the current expense of education have increased at an even greater rate as noted below:

Component	Average annual rate of increase 74-75 to 78-79
Instructor's salaries	18.5%
Non-instructional certificated salaries	13.7%
Classified salaries	27.9%
Supplies, books, etc.	11.4%
Services	38.9%
Total Current Expense of Education	21.0%

It is noted that the two areas of largest increase are classified salaries and contracted services..

The increase in expenditures for classified salaries has been largely caused by a greatly increased demand on support-service personnel resulting from

---significantly greater reporting and record-keeping requirements in large part resulting from State and Federal mandates

---increased facilities on and off campus requiring additional maintenance

---an expanded student services program

The largest rate of increase, however, was in the area of contracted services. This category includes utilities, insurance, rents, leases, and repairs. Among the factors contributing to the large increase in this area are

---costs for utilities have increased at an annual rate of 27.3%.

---rents, leases and repairs have increased at an annual rate of 44.3%. This is due to the increased need for off-campus facilities required since the District no longer has access to adjacent high school facilities. In addition, costs for outside work for repairs, etc. have escalated sharply.

Had the rate of increase for contracted services been held to the same level as the rest of the current expense of education, the District would have been able to comply by 1978-79.

PLAN FOR COMPLIANCE

To meet the 50% requirement, the District could consider the following alternatives:

1. Increase expenditures for classroom instructor's salaries at a rate higher than the rest of the current expense of education. This would require a rate of increase of over 23%. Actual salary schedule increases are fixed by the contract with the certificated bargaining unit for the next two years at about 7%. This would mean an increase of over 16% in instructional personnel which would be out of the question at this time in view of the uncertain financial future of the Community Colleges.
2. Hold increases in the non-instructional components of the current expense of education to a rate less than that of the classroom instructors salaries. In view of contractual raises, increments, and personnel changes, this would probably be around 10%. The rates of increase for non-instructional salaries and supplies have been near this figure. (It would require a reduction of two-thirds of all non-instructional certificated personnel to meet the 50% figure last year.) In the area of contracted services, most of the elements such as utilities and insurance are going to increase at rates higher than 10%. Reducing rentals on off-campus facilities would only defeat the purpose since this would result in reduction in programs and therefore in instructional personnel.
3. Shift some costs from non-instructional to instructional areas. This could be achieved by utilizing currently non-instructional personnel in the classroom. This is expected to occur as personnel retire or leave the District.

In summary, achieving the 50% level in a district of our size with the fixed base-line costs we incur will be extremely difficult if not impossible. If it is desired to maintain our current level of course offerings, then it is not likely we can deviate significantly from our current level of expenditures in all areas. Of the three alternatives listed, the third is the most feasible, but combinations of the other two will also be required.

In an attempt to strive for the 50% goal, the District will take the following steps:

1. Set a goal of achieving the 50% level in five years (1984-85) by increasing the classroom instructor's salary expenditure percentage approximately 1.5% per year. We have begun to achieve this goal by budgeting an increase of 2.3% this year.
2. This will be achieved by
   a. utilizing currently non-instructional personnel in the classroom to a greater extent whenever possible.
   b. reducing contracted service costs when possible
   c. maintaining the current level of instructional programs.

Exhibit 8
Worksheet

California Community Colleges
50% Law Analysis
West Kern Community College District
Fiscal Year 1979-80
Comparable Salaries

District	(1) Total Salaries of Classroom Instructors Paid	(2) Attendance ADA	(3) Total Salaries Per ADA col. 1 ÷ col. 2
West Kern	$ 993,498	710	$ 1,399.29
Comparable Districts:			
Group 1			
West Hills	$ 1,875,494	1,263	$ 1,484.95
Group 2			
Coachella Valley	4,721,821	3,813	1,238.35
Gavilan	2,157,381	2,008	1,074.39
Imperial	3,671,386	2,957	1,241.59
Mendocino	1,375,118	1,280	1,074.31
San Luis Obispo	2,973,077	3,182	934.34
Siskiyou	1,642,100	1,545	1,062.85
Group 3			
Antelope Valley	3,001,973	3,349	896.38
Citrus	4,920,564	5,387	913.41
Lassen	2,029,635	2,234	908.52
Mt. San Jacinto	1,558,267	1,427	1,091.99
Sweetwater	6,341,567	7,476	848.26
Average - Comparable Districts			$ 1,064.11

Note: Comparable districts have been identified by groups, in sequential order. The first group is the most comparable to the deficient district, the second group next comparable, etc.

CALIFORNIA COMMUNITY COLLEGES
ANALYSIS OF APPLICATION FOR EXEMPTION TO ECS 84362
FOR FISCAL YEAR 1979-80

Exhibit 9

A. District: **West Valley**

B. Data:

1.	Current Expense of Education (CEE)	$ 20,092,245
2.	50% of CEE	$ 10,046,123
3.	Carry-over of 1977-78 deficiency not exempted	415,333
4.	Subtotal (2 + 3)	$ 10,461,456
5.	Amount expended for Salaries of Instructors 1979-80	10,057,764
6.	Total 1979-80 deficiency (4-5)	$ 403,692

C. Basis for exemption requested by district: Comparable Salaries

D. Discussion:

West Valley failed to meet the 50% requirement for fiscal years 1973-74 through 1977-78 but met the requirement with 51.0% of CEE in 1978-79. In 1977-78 the district had a nonexempted deficiency of $415,333 which was to be added to the amount to be expended for salaries of classroom instructors in 1979-80.

The district expended 50.1% of CEE for the salaries of classroom instructors in 1979-80 but because of the 1977-78 nonexempted deficiency, the district failed to meet the total requirement by $403,692.

West Valley's salaries of classroom instructors paid per ADA was $32.21 below the average of 12 comparable districts. The $32.21 per ADA deficiency computes to a $360,269 total amount needed for parity.

E. Recommendation:

The Chancellor and Committee recommend that the district's request for exemption be partially denied in the amount of $360,269 and the remainder of $43,423 be exempted.

California Community Colleges
50% Law Analysis
West Valley Community College District
Fiscal Year 1979-80
Comparable Salaries

District	(1) Total Salaries of Classroom Instructors Paid	(2) Attendance ADA	Total Salaries Per ADA col. 1 ÷ col. 2
West Valley	$ 10,057,764	11,185	$ 899.22
Comparable Districts:			
Group 1			
Hartnell	$ 3,929,047	4,167	$ 942.90
Peralta	17,274,524	18,430	937.30
San Jose	10,872,002	10,619	1,023.83
Group 2			
Cerritos	10,905,269	12,891	845.96
Coast	27,147,587	30,977	876.38
Kern	11,506,696	10,408	1,105.56
Mt. San Jacinto	1,558,267	1,427	1,091.99
Palomar	8,697,603	10,110	860.30
Pasadena Area	13,307,355	14,284	931.63
Riverside	7,017,290	7,965	881.02
Santa Monica	8,341,844	10,653	783.05
South County	8,550,881	9,530	897.26
Average - Comparable Districts			$ 931.43

Computation:

Average Salary Per ADA - Comparable Districts	$ 931.43
Less Salary Per ADA - West Valley	899.22
Difference	$ 32.21
Multiplied by West Valley ADA	X 11,185
Amount Needed for Parity	$360,269
Exemption Requested	403,692
Difference	$ 43,423

Note: Comparable districts have been identified by groups, in sequential order. The first group is the most comparable to the deficient district, the second group next comparable, etc.

84362. For purposes of this section:

(a) "Salaries of classroom instructors" and "instructor" shall have the same meanings as prescribed by Section 84031 provided, however, that the cost of all health and welfare benefits provided to the instructors by the community college district shall be included within the meaning of salaries of classroom instructors.

(b) "Current expense of education" means the gross total expended (not reduced by estimated income or estimated federal and state apportionments) for the purposes classified in the final budget of a district (except one which, during the preceding fiscal year, had less than 101 units of average daily attendance) submitted to and approved by the county superintendent of schools pursuant to Section 85023 for certificated salaries other than certificated salaries for student transportation, food services, and community services; classified salaries other than classified salaries for student transportation, food services, and community services; employee benefits other than employee benefits for student transportation personnel, food services personnel, and community services personnel; books, supplies, and equipment replacement other than for student transportation and food services; and community services, contracted services, and other operating expenses other than for student transportation, food services, and community services. "Current expense of education," for purposes of this section shall not include those expenditures classified as sites, buildings, books, and media and new equipment (object of expenditure 6000 of the Accounting Manual for California Community Colleges), the amount expended from categorical aid received from the federal or state government which funds were granted for expenditures in a program not incurring any instructor salary expenditures or requiring disbursement of the funds without regard to the requirements of this section, or expenditures for facility acquisition and construction; and shall not include the amount expended pursuant to any lease agreement for plant and equipment or the amount expended from funds received from the federal government pursuant to the "Economic Opportunity Act of 1964" or any extension of such act of Congress or the amount expended by a community college from state or federal funds received by the community college for grants to community college students or for the employment of community college students.

There shall be expended during each fiscal year for payment of salaries of classroom instructors by a community college district, fifty percent (50%) of the district's current expense of education.

If the board of governors determines that a district has not expended the applicable percentage of current expense of education for the payment of salaries of classroom instructors during the preceding fiscal year, the board shall, in apportionments made to the district from the State School Fund after April 15 of the current fiscal year, designate an amount of such apportionment or apportionments equal to the apparent deficiency in district expenditures. Any amount so designated by the board of governors shall be deposited in the county treasury to the credit of the community college district, but shall be unavailable for expenditure by the district pending the determination to be made by the board of governors on any application for exemption which may be submitted to the board of governors. In the event it appears to the governing board of a community college district that the application of the

preceding paragraphs of this section during a fiscal year results in serious hardship to the district or in the payment of salaries of classroom instructors in excess of the salaries of classroom instructors paid by other districts of comparable type and functioning under comparable conditions, the governing board may, with the written approval of the county superintendent of schools having jurisdiction over the district apply to the board of governors in writing not later than September 15th of the immediately succeeding fiscal year for exemption from the requirements of the preceding paragraphs of this section.

Immediately upon applying for such exemption, the governing board shall provide the exclusive representative of the district's certificated employees or, if none exists, the district or college academic senate, and all certificated employee organizations eligible for payroll dues deduction, with a copy of such application. The exclusive representative, or the district or college academic senate, and all certificated employee organizations eligible for payroll dues deduction, within 30 days of its receipt of such application, may transmit to the board of governors a written statement of opposing such application, setting forth reasons for its opposition. Upon receipt of such application, duly approved, and of such statement of opposition, if any, the board of governors shall grant the district exemption for any amount that is less than one thousand dollars ($1,000). If the amount is one thousand dollars ($1,000), or more, the board of governors may grant the district exemption from such requirements for the fiscal year for which the application is made if a majority of all the members of the board of governors finds, in writing, that the district will in fact suffer serious hardship or will have to pay salaries of classroom instructors in excess of those paid by other districts of comparable type and functioning under comparable conditions unless the district is granted an exemption. If such exemption is granted, the designated moneys shall be immediately available for expenditure by the community college district governing board. If no application for exemption is made or exemption is denied, the board of governors shall order the designated amount or amount not exempted to be added to the amounts to be expended for salaries of classroom teachers during the next fiscal year.

The board of governors shall enforce the requirements prescribed by this section, and may adopt necessary rules and regulations to that end. It may require the submission during the school year, by community college district governing boards and county superintendents of schools, of such reports and information as may be necessary to carry out the provisions of this section.

In order to make the legal context complete, Education Code Section 84031 states:

84031. The accounting system used to record the financial affairs of any community college district shall be designed to provide, in a manner consistent with standards and procedures developed pursuant to Sections 84040 and 84040.5, a separate recording of, and a clear

distinction between expenditures for salaries of classroom instructors employed by the district, salaries of administrators and supervisors employed by the district, administrative costs other than salaries, and expenditures for other purposes of the district.

As used in this section "salaries of classroom instructors" means:

(a) The salary paid to each instructor employed by the district whose duties require that the full time for which the instructor is employed be devoted to the instruction of students of the district.

(b) The portion of the salary of each instructor whose duties require that a part, but not all, of the full time for which the instructor is employed be devoted to the instruction of students of the district, which is equal to the portion of such full time actually devoted by the instructor to teaching students of the district.

(c) The salary paid to each instructional aide employed by the district, any portion of whose duties are required to be performed under the supervision of an instructor.

As used in this section an "instructor" means an employee of the district employed in a position requiring certification qualifications and whose duties require him to teach students of the district for at least one full instructional period each schoolday for which the employee is employed. An instructional period is the number of minutes equal to the number of minutes of the regular academic period in the community college in which the instructor is employed.

As used in this section "administrator" means an employee in a position having significant responsibilities for formulating district policies or administering district program; and "supervisor" means any employee having authority, on behalf of the district, to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, discipline other employees, adjust their grievances, or effectively recommend such action, if the exercise of such authority is not of a merely routine or clerical nature.

Title 5 Regulations for Administration of the "50% Law"

59204. Definitions.

(a) Salaries of classroom instructors as prescribed in Education Code Section 84031 means (1) that portion of salaries paid for purposes of instruction of students by full-time and part-time instructors employed by a district and (2) all salaries paid to instructional aides employed by the district and under the supervision of district employed instructors.

In addition, salaries of classroom instructors shall include the cost of all benefits provided all instructors and instructional aides (Object of Expenditure Code 3000 as defined in the Community College Budget and Accounting Manual).

(b) Current expense of education (CEE) shall include Object of Expenditures 1000 through 5000 for Activities Codes 0100 through 6700 as defined in the Community College Budget and Accounting Manual less expenditures for both Activity Code 64XX (Student Transportation) and expenditures:

(1) Categorical aid received from the federal or state government for expenditure in a program not incurring any instructor salary expenditures.

(2) Categorical aid received from the federal or state government requiring disbursement of the funds without regard to the requirement of Section 84362.

(3) Funds for lease agreements for plant and equipment.

(4) Funds received from the federal government pursuant to the "Economic Opportunity Act of 1964."

(5) State or federal funds received for grants to community college students or for the employment of community college students.

(c) Serious hardship shall mean conditions under which conformance with the 50% requirement during the year of deficiency would have resulted in a district's inability to discharge financial liabilities.

The district's inability to discharge financial liabilities shall mean general fund ending balance, less reserves for legally required restricted funds and any contingencies for outcome of pending arbitration, litigation, or audit exceptions, is insufficient to meet the district's share of total expenditures for the first six months of the budget year based on prior three years' actual expenditure patterns. Additionally, consideration under hardship may be given to first-time program or other expenditures resulting from anticipated new conditions.

For the purposes of determining serious hardship pursuant to Education Code Section 84362(b) only, expenditures for Activities 61XX (Museums and Galleries), 6200, 6400, 6500, 6600, and 6700 as defined by the California Community College Budget and Accounting Manual shall be limited to the prior year's expenditures, plus an amount equal to the percent increase in the index of "Government Purchase of Goods and Services-State and Local" determined by the Department of Finance for the year in which the deficiency occurs. Any expenditures for

these activities above this dollar limit shall be added to the amount of general fund balance determined in the paragraph above. However, in evaluating serious hardship, consideration may be given by the Chancellor to appropriately certified unanticipated and unbudgeted expenditures, such as, but not limited to, expenditures resulting from arbitration or litigation, replacement or repair of utility services, an abnormal increase in the cost of energy, insurance, or security, or a cost increase mandated by state or federal law.

(d) Attendance ADA means the units of average daily attendance accrued by the district during the fiscal year as a result of the attendance of all students as reported on form CCAF-320.

(e) Community College districts of comparable type functioning under comparable conditions are deemed to be any which have met the 50% salary requirement for the year in question and are similar to the filing district in such factors as: geographical location, urban-suburban-rural setting, multiple-single campus organization, ADA size, relative wealth, median instructors' salary, instructors' placement on salary schedule, salary schedule mid-point, ration of full-time instructors' WSCH to total WSCH, CEE per ADA, student WSCH per instructor WSCH, and plant maintenance costs per ADA.

(f) Payment of comparable salaries of classroom instructors will be deemed to exist when a district's expenditure for salaries of classroom instructors, divided by attendance ADA, equals or exceeds the same aggregated data for districts functioning under comparable conditions.

59206. Procedures.

The following procedures will be used for administering the provisions of Education Code Section 84362(b).

(a) After the conclusion of each fiscal year, each district shall determine if 50% of current expense of education (CEE) was expended for the payment of salaries of classroom instructors plus any prior year deficiency ordered to be expended in addition.

(b) In the event a district has not expended the required amount and it appears to its governing board that such expenditure would have resulted in serious hardship to the district during the year of deficiency or in the payment of excessive salaries to classroom instructors, it may, with the written approval of the county superintendent of schools having jurisdiction over the district, apply to the Chancellor's Office in a form and manner to be determined by the Chancellor not later than September 15 following the year of deficiency for exemption from the requirements of Education Code Section 84362.

(c) The district applying for exemption shall immediately provide the exclusive representative of the district's certificated employees or, if none exists, the district or college academic senate, and all certificated employee organizations eligible for payroll dues deductions with a copy of such application. Such certificated employee organizations may, within 30 days of receipt of the district's application, transmit to the Board of Governors a written statement opposing such application.

(d) The governing board of the district applying for exemption shall, after receipt of the audit report submitted to the district pursuant to Education Code Section 84040, and not later than February 1 of the succeeding fiscal year, which date may be extended for two weeks of the Chancellor in writing, hold a public hearing to determine the basis for the district's application for exemption. This public hearing shall be held during a meeting of the district governing board and shall be noticed as a separate item on the agenda for the meeting as required by Education Code Section 72121 except that the notice required must be given at least 10 days prior to the meeting. The governing board shall consider the findings of the audit report submitted pursuant to Education Code Section 84040 and shall give a reasonable opportunity to be heard to interested parties. The governing board shall then determine whether expenditure of the required amount would have resulted in serious hardship to the district or in the payment of salaries of classroom instructors in excess of the salaries of classroom instructors paid by other districts of comparable type and functioning under comparable conditions.

The district shall then, not later than February 1, or if the Chancellor has granted the district an extension, not later than February 15, transmit the findings of the governing board to the Chancellor in a form and manner to be determined by the Chancellor.

Failure to comply with the provisions of this subsection shall void the district's application for exemption.

(e) Within two weeks of the public hearing or by the date the district is required to transmit its findings to the Chancellor, whichever is later, the certificated employee organizations required to be notified pursuant to Section 59206(c) may submit an additional written statement opposing the application to the Chancellor.

Failure to submit this written statement shall preclude the faculty organization making any further argument to the Board of Governors.

(f) The Chancellor shall annually determine the actual percentage of current expense of education expended for salaries of classroom instructors during the preceding fiscal year for each district from information submitted on the 'Annual Financial and Budget Report, CCAF 311," and from information reported in the annual audit reports required by Education Code Section 84040.

(g) The Chancellor's Office shall analyze each application for exemption together with statements of opposition submitted by the certificated employee organizations and the report of the audit reports submitted pursuant to Education Code Section 84362 to determine compliance with Education Code Section 84362.

(h) If a district failed to file an application for exemption in the manner required by these regulations, the Chancellor shall designate an amount from the state apportionments made after April 15, equal to the deficiency to be deposited in the county treasury and credited to the district. Such monies shall not be available for expenditure by the district until next fiscal year. The Chancellor also shall instruct the district to add the designated amount to the amounts to be expended for salaries of classroom instructors during the next succeeding fiscal year.

(i) If the district filed an application for an exemption as required by these regulations of an amount less than $1,000, the Chancellor shall grant the exemption.

(j) If the district filed for an exemption as required by these regulations the Chancellor shall recommend one of the following actions to the Board of Governors.

(1) that the Board deny the application
(2) that the Board grant the application
(3) that the Board grant the application in part

The Chancellor shall forward a copy of his recommendations to the district and the certificated employee organizations required to be notified pursuant to Section 59206(c) together with the factual basis for that determination.

(k) The Board of Governors shall, no later than May 1, receive the Chancellor's recommendations. The Board of Governors shall determine whether the facts presented by the Chancellor established that application of the 50% salary requirement would have resulted in serious hardship or in expenditures for salaries of classroom instructors in excess of that paid by comparable districts. The Board shall then deny, grant, or grant in part the district's application.

Exemption shall be granted only to the limit of the deficiency in an amount equal to that necessary to raise the district's expenditures for salaries of classroom instructors per attendance ADA to the level of the average of the comparison districts or in an amount equal to that needed by the district to meet its share of estimated operating expenditures for the first six months of the budget year in excess of the sum of its general fund ending balances of unrestricted funds reduced by the amount of the deficiency.

Any part of the deficiency not exempted by the Board of Governors shall be designated by the Chancellor to be deposited in the county treasury to the credit of the district from state apportionments made after April 15, but unavailable for expenditure until the next fiscal year. The Chancellor also shall instruct the district to add the designated amount to the amounts to be expended for salaries of classroom instructors during the next succeeding fiscal year.

(l) District Plan. Conditional to consideration by the Board of Governors to grant a second or more consecutive exemption shall be a plan officially adopted by the governing board of the district specifying steps to be taken by that district to achieve compliance with Education Code Section 84362. The plan will be revised as needed or as requested by the Board of Governors.

NOTE: Authority cited: Sections 71020 and 84362, Education Code
Reference: Section 84362, Education Code.

CALIFORNIA COMMUNITY COLLEGES
BASIS FOR DISTRICT's
APPLICATION FOR EXEMPTION FROM THE 50% LAW

The _____ District

of _____ County has applied for exemption from the requirement of Education Code Section 84362.

FISCAL YEAR: 1979-80

A. DESIGNATION OF APPARENT DEFICIENCY (REFLECT NECESSARY CORRECTIONS PER ANNUAL AUDIT.)	DISTRICT ENTRY	FOR STATE USE ONLY
1. Current expense of education (Form CCFS- 11, page 14, line 16, column 2.)	$	$
2. Amount that district is required to expend for the "salaries of classroom instructors." (Item A.1 times 50%)	$	$
3. Add any designated amount ordered to be expended for the "salaries of classroom instructors" from the second prior fiscal year. (1977-78 application)	$	$
4. Total required expenditures for the "salaries of classroom instructors." (Item A.2 plus Item A.3)	$	$
5. Amount actually expended for the total "salaries of classroom instructors." (Form CCFS-311, page 14, line 16, column 1)	$	$
6. Amount designated as the apparent deficiency. (Item A.4 minus Item A.5)	$	$
7. Amount for which exemption is requested	$	$

FOR STATE USE ONLY

B. ACTION BY THE BOARD OF GOVERNORS, CALIFORNIA COMMUNITY COLLEGES

1. Approved and funds released immediately for expenditure in the amount of $_____

Basis for granting exemption:

☐ Comparable Salaries ☐ Serious Hardship

☐ Amount above that necessary for comparable salaries ☐ Deficiency less than $1,000

2. The following amount of Section B of the State School Fund apportioned after April 15 of the current fiscal year shall not be available for expenditure during this fiscal year but shall be added to the amount to be expended for "salaries of classroom instructors" during the next ensuing fiscal year (1981-82). $_____

District fails to meet the criteria for:

☐ Comparable Salaries ☐ Serious Hardship

☐ Granting a second or more consecutive exemption (No acceptable plan submitted)

3. Since an application for exemption was ☐ not received, or ☐ received after September 15 from the _____ District, the following designated amount of Section B of the State School Fund apportioned after April 15 of the current fiscal year shall not be available for expenditure by the district during the fiscal year but shall be added to the amount to be expended for "salaries of classroom instructors" during the next ensuing fiscal year (1981-82). $_____

By _____ Title _____ Date _____

CCFS-350B (Rev. 6/80 CLC) (over)

C. BASIS OF EXEMPTION REQUEST

It is the opinion of the Governing Board of this community college district that the requirement of ECS 84362 (b) calling for payment of "salaries of classroom instructors" to be equal to fifty percent (50%) of the district's current expense of education for the fiscal year would have resulted in:

Check Applicable Condition(s)

☐* Payment of "salaries of classroom instructors" in excess of the "salaries of classroom instructors" paid by other districts of comparable type and functioning under comparable conditions as defined by Title 5, Section 59204 (a) and (f).

☐* Serious hardship to the district as defined by Title 5, Section 59204 (c). (Districts filing under "Serious Hardship" must complete the attached worksheets.

* T-5 S59206(1) Conditional to consideration by the Chancellor to grant a second or more consecutive exemption shall be a plan officially adopted by the governing board of the district specifying steps to be taken by that district to achieve compliance with Education Code Section 84362.

D. CERTIFICATION BY THE COMMUNITY COLLEGE DISTRICT: It is hereby certified that the information reported above is true and correct and the amount of exemption requested in Item A.7 is necessary to avoid serious hardship to the district or the payment of "salaries to classroom instructors" in excess of those paid in comparable districts. The basis for the district's application for exemption has been subject to public hearing in accordance with CAC Title 5, Section 59206 (d).

Governing board of _____ Community College District

By _____ Title _____

_____ Date _____

(Type or print name of official)

INSTRUCTIONS

1. Exemption will be granted for amounts of less that $1,000 but only upon receipt of an application from the district.

2. The applicant shall make the request on the basis of "payment of comparable salaries of classroom instructors" or "serious hardship" as defined by Title 5 Section 59200ff. If both reasons are appropriate, the district shall so indicate.

3. The community college district shall prepare an original and three copies of the application and attachment(s). One copy shall be sent to the County Superintendent of Schools. The district shall send the original and one copy to the Fiscal Services Section, 1238 "S" Street, Sacramento, California 95814, by February 1, 1981. One copy will be retained by the district.

4. Chancellor's Office will notify the County Superintendent of Schools and the community college district of the Board's action.

District's Plan for Compliance

Title 5, Section 59206(1) requires, as a precondition to granting a second or more consecutive exemption, that a plan be officially adopted by the district's governing board specifying steps to be taken by the district to achieve compliance with Education Code Section 84362 (50% Law requirement).

Any district who received a full or partial exemption to the 50% Law requirement for fiscal year 1978-79 and has subsequently applied for exemption for fiscal year 1979-80 must submit such a plan, along with its basis for the requested exemption.

The plan itself will not constitute a basis for granting an exemption. Education Code and Title 5 regulations clearly point out the basis for granting an exemption to be where application of the 50% Law requirement would have resulted in a serious hardship or in payment of salaries of classroom instructors in excess of that of comparable districts.

The plan must include clear and quantified goals and objectives towards meeting the 50% Law requirement. This must include a specific timetable for compliance with stated percentage increases of salaries of classroom instructors to current expense of education and statements addressing each of the factors which the Chancellor finds may have significantly contributed to the district's failure to meet the requirements of the statutes in fiscal year 1978-79. A list of these factors is attached.

50% Law Analysis
SERIOUS HARDSHIP WORKSHEET
[TITLE 5, SECTION 59204(c)]

I. GENERAL FUND NET ENDING BALANCE (6/30/80) (CCFS-311, page 17) $_____

II. ADD INCOME AND EXCESS EXPENDITURE INCREASE

A. Income-Estimated revenues to be received or received for the period preceding receipt of local tax revenues (7/1/80 to _____). $_____

B. Expenditure restriction for deficient year.

Administrative & Support Activities		Actual Expenditures for Deficient Year (1979-80)	Prior Year (1978-79)
Museum & Galleries	61XX	$_____	$_____
Admissions & Records	6200	_____	_____
Other Student Services	6400	_____	_____
Maintenance & Operation of Plant	6500	_____	_____
Planning & Policy Making	6600	_____	_____
General Institutional Services	6700	_____	_____
Subtotal			$_____
Increase in the index of "Government Purchase of Goods & Services-State and Local" (determined by Dept. of Finance) times subtotal.			x 9.9 %
Total (Deficient year expenditures and adjusted Prior Year Expenditure Base for above activities.)		$_____	$_____
Deficient year's expenditures in excess of adjusted prior year base. (Enter zero if adjusted prior year base is larger.)			$_____ (Report excess only)

NOTE: If unanticipated and unbudgeted expenditures were incurred for the deficient year, provide detail on separate page.

Subtotal (II A + B) $_____

III. LESS RESTRICTED MONEYS AND EXPENDITURES FOR BUDGET YEAR

A. Restricted funds. (In General Fund Ending Balance 6/30/80.) (CCFS-311, page 17)

1. Reserves restricted by legal requirements $_____
2. Contingencies for:
   a. Arbitration $_____
   b. Litigation _____
   c. Audit Exceptions _____ _____

B. Expenditures

1. Budget year expenditures for the period preceding receipt of local tax revenues based on actual expenditures patterns for the prior three years excluding 2 below. _____
2. Additional consideration: (Itemize and explain thoroughly on separate page.)
   a. First time program(s). $_____
   b. Additional needs for anticipated new conditions. _____ _____

Subtotal (III. A. + B.) _____

IV. NET ADJUSTED BALANCE (I. + II. - III.) $_____

Any positive net adjusted balance will be applied against the district's deficiency. Any deficient amount in excess of the positive net balance will be considered for exemption.

District Code
County | District

California Community Colleges
Historical Detail of Salary Requirement Deficiencies
(50% of Current Expense of Education)
ECS 17503

District	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79
Barstow					$144,864 WF	$ 18,288 WF	$ 53,669 WF	
Butte				$ 16,877 WF	15,211 W	20,195 E	250,937 W	
Coast						530,884 W	121,997 W	
Compton	$120,910 E	$117,327 E 109,478 W	$100,000 E 97,135 W	364,762 E 138,630 W	287,515 E	270,904 E	23,484 E	
Fremont-Newark	163,280 W	200,000 E 39,135 W	224,234 E 68,059 W	169,741 W	554,515 W	501,142 E 270,802 W	1,021,001 E 298,771 W	$845,438 E 13,790 W
Hartnell								93,504 E 92,864 W
Lake Tahoe						5,253 WF	79,383 WF	82,172 E
Marin					39,164 WF		327,886 WF	282,971 W
Mendocino					35,320 WF	28,426 WF	138,538 E	27,110 WF
Mt. San Jacinto	32,514 E	8,082 W						
Palomar			14,818 W					
Palo Verde	11,256 E			13,107 E	13,904 E	42,577 E	18,523 E	20,122 W
Redwoods					16,710 E			
San Jose				159,697 E 36,926 W	732,223 E	920,598 E 97,115 W	93,861 E	
Santa Clarita	94,450 E		167,382 E 30,965 W	265,057 E 26,714 W	429,268 E 30,965 W	453,539 E	257,143 E 14,835 W	159,099 E
State Center						115,795 W		
West Hills	6,991 E 3,526 W	5,680 W	47,792 E					1,648 WF
West Kern		22,343 E	51,644 E	30,121 WF	67,384 E	101,303 E	109,751 E	163,613 E
West Valley			100,598 E	76,894 E 76,894 W	24,152 W	162,298 WF	415,333 W	

E - Exempted
W - Withheld
WF- Withheld for not filing (from 1974-75)

OCT 2 1981

ERIC Clearinghouse for Junior Colleges
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Los Angeles, California 90024